THE ANDAMAN & NICOBAR ISLANDS CO-OPERATIVE SOCIETIES REGULATIONS, 1973

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THE ANDAMAN & NICOBAR ISLANDS CO-OPERATIVE SOCIETIES RULES, 1974

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	disbursing Officer under section 39 (4) of the Andaman and Nicobar Islands Co-operative Societies Regulation 1973 (No. 3 of 1973)		
	Notification dated 02.06.2010 (Powers conferred on the RCS under Section 3(2) of the Andaman and Nicobar Co-operative Societies Regulation, 1973by superseding all previous orders.		103

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No. 39, Port Blair, Thursday, May, 1973 / Vaisakha 13, 1895

ANDAMAN AND NICOBAR ADMINISTRATION
CHIEF COMMISSIONER'S SECRETARIAT

NOTIFICATION

Port Blair, the 3rd May, 1973 / Vaisakha 13, 1895

No. 44/73/1/1(135)/73.Dev.(II)- The following Regulation promulgated by the President under Article 240 of the constitution and published in the Gazette of India Extraordinary Part II Section I, dated the 28th February, 1973 is hereby republished below for general information.

BY order,
K.K. WARRIAR,
Assistant Secretary (Dev,).

THE ANDAMAN AND NICOBAR ISLANDS CO-OPERATIVE SOCIETIES REGULATION, 1973

No. 3 of 1973

Promulgated by the President in the twenty-fourth Year of the Republic of India.

A Regulation to consolidate and amend the law relating to co-operative societies in the Union Territory of the Andaman and Nicobar Islands.

In exercise of the powers conferred by clause (1) of article 240 of the Constitution, the President is pleased to promulgate the following Regulation made by him:-

CHAPTER –I

PRELIMINARY

1. ***Short title, extent and commencement***:- (1) This Regulation may be called the Andaman and Nicobar Islands Co-operative Societies Regulation,1973.

(2) It extends to the whole of the Union territory of the Andaman and Nicobar Islands.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. ***Definitions***:- In this Regulation, unless the context otherwise require.

a. "bye-laws" means the registered bye, laws for the time being in force and includes registered amendments of such bye-laws;

b. "Chief Commissioner" means the Chief Commissioner of the Union territory of the Andaman and Nicobar Islands;

c. "committee" means the governing body of a co-operative society, by whatever name called, to which the management of the affairs of the society is entrusted;

d. "co-operative society" means a society registered or deemed to be registered under this Regulation;

e. "co-operative society with limited liability" means a co-operative society in which the liability of its members, for the debts of the society in the event of its being wound up, is limited by its bye-laws

(i) to the amount, if any, unpaid on the shares respectively held by them; or

(ii) to such amount as they may, respectively, undertake to contribute to the assets of the society:

f. "co-operative society with unlimited liability" means a co-operative society, the members of which are, in the event of its being wound up. Jointly and severally liable for and in respect of all its obligations and to contribute to any deficit in the assets of the society:

g. "credit agency" means a co-operative society which has as its principal object the lending of money to other co-operative societies and includes-

(i) a banking company as defined in section 5 of the Banking Regulation Act. *1940: 10 of 1940.*

(ii) the state Bank of India constituted under section 3 of the State Bank of India Act.1955:23 of 1955.

(iii) a subsidiary bank as defined in section 2 of the State Banking India (Subsidiary Banks) Act 1959:38 of 1959.

(iv) the Agricultural Refinance Corporation established under section 3 of the Agricultural Refinance Corporation Act.1963: 10 of 1963.and

(v) a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and transfer of Undertakings) Act, 1970:5 of 1970

h. "Government "means the Central Government;

i. "member" means a person joining in the application for the registration of a co-operative society and a person admitted to membership after such registration accordance with this Regulation, the rules and the bye-laws, and includes a nominal or an associate member and the Government when it subscribes to the share capital of a society;

j. "nominal or associate member " means a member who possesses only such privileges and rights of a member and who is subject only to such liabilities of a member as may be specified in the bye-laws;

k. "officer" includes a president, vice-president, chairman, vice chairman, managing director, secretary, manager, member of a committee, treasurer, liquidator , administrator and any other person empowered under the rules or bye-laws to give directions in regard to the business of a co-operative society;

l. "Official Gazette" means the Andaman and Nicobar Gazette;

m. "prescribed" means prescribed by rules made under this Regulation;

n. "producers society" means a society formed with the object of producing and disposing of goods and commodities as a collective property of its members, and includes a society formed with the object of the collective disposal of the labour of its members;

o. "Registrar" means a person appointed to perform the duties of a Registrar of Co-operative Societies under the Regulation, and includes any person appointed to assist the Registrar when exercising a or any of the powers of the Registrar under sub-section (2) of section 3;

p. "rules" means the rules made under this Regulation;

q. "Union territory" means the Union territory of the Andaman and Nicobar Islands.

CHAPTER II

REGISTRATION OF CO-OPERATIVE SOCIETIES

3. ***Registrar***- (1) The Chief Commissioner may appoint a person to be the Registrar of Co-operative Societies for the Union territory and may appoint other persons to assist him.

(2) The Chief Commissioner may, by general or special order, confer on any person appointed to assist the Registrar all or any of the powers of the Registrar under this Regulation.

(3) Every person appointed to assist the Registrar shall exercise the powers conferred on him under sub-section (2), subject to the general superintendence direction and control of the Registrar.

4. ***Societies which may be registered*** :-(1) Subject to the provisions hereinafter contained, a society which has as its object the promotion of the economic interests of its members in accordance with co-operative principles, or a society established with the object of facilitating the operations of such a society, may be registered under this Regulation with or without limited liability:

Provided that, unless the Chief Commissioner by general or special order otherwise directs, the liability of the society of which a co-operative society is a member shall be limited.

(2) Whether the liability of the members of any co-operative society is limited or unlimited by shares, the liability of the Government or of a credit agency which has taken shares in such co-operative society, shall be limited to the share capital subscribed by the Government or such credit agency as the case may be.

(3) The word "limited" or its equivalent in any Indian language shall be suffixed to the name of every society registered under this Regulation with limited liability.

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5. ***Restrictions on registration***:- No society, other than a society of which a member is a co-operative society, shall he registered under this Regulation unless it consists of at least ten persons (each of such persons being a member of a different family), above the age of eighteen years and residing in the area of operation of the society.

***Explanation*:-** For the purposes of this section, the expression "member of a family" means wife, husband, father, mother, grandfather, grandmother, step-father , step-mother, son, unmarried daughter, unmarried step daughter, step-son, grandson, unmarried grand-daughter , unmarried sister, unmarried half – sister, brother, half-brother and wife of brother or half –brother.

6. **Restriction on holding of shares**:- No member, other than the Government or a co-operative society, shall hold more than such portion of the share capital of a co-operative society, subject to a maximum of one-fifth , as may be prescribed or have or claim any interest in the shares of such society exceeding ten thousand rupees.

7**. Application for registration**: - (1) For the purposes of registration of a co-operative society under this Regulation, an application shall be made to the Registrar in the prescribed form.

2) The application shall be signed:-

a) in the case of a society of which no member is a co-operative society, by at least ten persons qualified in accordance with the requirements of section 5: and.

b) in the case of a society of which a member is a co-operative society, by a duly authorized person on behalf of every such co-operative society and where all the members of the society are not co-operative societies, by ten other members, or when there are less than ten other members, by all of them.

3) The application shall be accompanied by a copy of the proposed bye-laws of the society and the persons by whom or on whose behalf such application is made shall furnish such information in regard to the society as the Registrar may require.

8. ***Registration***:- (1) If the Registrar is satisfied-

a. that the application complies with the provisions of this Regulation and the rules;

b. that the objects of the proposed society are in accordance with section 4;

c. that the proposed bye-laws are not contrary to the provisions of this Regulation and the rules; and

d. that the proposed society has reasonable chances of success, the Registrar may register the society and its bye-laws

2) When the Registrar refuses to register a society, he shall communicate the order of refusal together with the reason therefore, to such of the applicants as may be prescribed.

3) The application for registration shall be disposed of by the Registrar within a period of 3 months from the date of receipt thereof by him.

4) Where the Registrar fails to dispose-off an application for registration within the period specified in sub-section (3), he shall be deemed to have refused to register the society and nothing in sub sections (2) shall apply to such refusal.

9. ***Registration Certificate***:- Where a society is registered under this Regulation the Registrar shall issue a certificated of registration signed by him, which shall be conclusive evidence that the co-operative society therein mentioned is duly registered under this Regulation, unless it is proved that the registration of the society has been cancelled.

10. **Amendment of bye-laws of co-operative society**:- 1) No amendment of any bye-laws of a co-operative society shall be valid until the same has been registered under this Regulation.

2) Every proposal for such amendment shall be forwarded to the Registrar in the prescribed manner and if the Registrar is satisfied that the proposed amendment:-

(i) is not contrary to this Regulation or to the rules:

(ii) does not conflict with co-operative principles; and

(iii) will promote the economic interests of the members of the society, he may register the amendment;

Provided that not order refusing to register the amendment of bye-laws shall be passed except after giving the co-operative society an opportunity of making its representation.

3) The Registrar shall forward to the co-operative society a copy of the registered amendment together with a certificate signed by him and such certificate shall be conclusive evidence that the amendment has been duly registered,

4) Where the Registrar refuses to register an amendment of the bye-laws of a co-operative society, he shall communicate the order of refusal together with the reasons therefore, to the society in the prescribed manner.

5) An amendment of the bye-laws of a registered society shall take effect from the date, if any, specified in the amendment and where no such date is specified, the amendment shall take effect from the date on which it is registered.

6)(i) Where the Registrar is satisfied that for the purpose of altering the area of operation of a co-operative society or for the purpose of improving the services rendered by it or for any other purpose specified in the rules, an amendment of the bye-laws is necessary, he may after consulting, in the prescribed manner, the credit agency, if any, to which the society is affiliated, by notice in writing, call upon the society to show cause, within such time as may be specified in the notice, why the amendment should not be made.

(ii) If within the time specified in the notice referred to in clause (i), the co-operative society fails to make the amendment, the Registrar may, after giving the society an opportunity of making its representations, register the amendment and issue to the society a copy of such amendment.

(iii) Any amendment of the bye-laws registered under clause (ii) shall have the same effect as an amendment of the bye-laws registered under sub-section (2) unless the registration is cancelled in pursuance of a decision in appeal.

11. ***Change of names***:- (1) A co-operative society may, by an amendment of its bye-laws, change its name but such change shall not affect any right or obligation of the society or of any of members or past members and any legal proceedings which might have been continued or commenced by or against the society by its former name may be continued or commenced by its new name.

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(2) Where a co-operative society change its name, the Registrar shall enter the new name on the register of co-operative societies in place of the former name and shall amend the certified or registration accordingly.

12. ***Change of liability*** :- (1) Subject to the provision of this Regulation and the rules, a co-operative society may, by an amendment of its bye-laws, change the form or extent of its liability.

(2) When a co-operative society has passed a resolution to change the form or extent of its liability, it shall give notice thereof in writing to all its members and creditors and, notwithstanding any bye-laws or contract to the contrary, any member or creditor shall, during a period of one month from the date of service of the notice upon him, have the option of withdrawing his shares, deposits or loans, as the case may be.

(3) Any member or creditor who does not exercise his option within the period specified in sub-section (2) shall be deemed to have assented to the change.

(4) An amendment of a bye-law of a co-operative society changing the form or extent of its liability shall not be registered or shall not take effect until either

(a) all the members and creditors have assented, or deemed to have assented, to the change: or
(b) all claims of the members and creditors who exercise the option referred to in sub-section (2) within the period specified therein have been met in full or otherwise satisfied.

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13) ***Amalgamation, transfer of assets and liabilities and division of co-operative societies***:- (1) A co-operative society may, with the previous approval of the Registrar and by a resolution passed by a two thirds majority of the members present and voting at the general meeting of the society:-

(a) transfer its assets and liabilities in whole or in part to any other co-operative society ;
(b) divide itself into two or more co-operative societies;

(2) Any two or more co-operative societies may, with the previous approval of the Registrar and by a resolution passed by a two thirds majority of the members present and voting at a general meeting of each such society, amalgamate themselves and form a new co-operative society.

(3) The resolution of a co-operative society under sub-section (1) or sub-section (2) shall contain all particulars of the transfer, division or amalgamation, as the case may be.

(4) When a co-operative society has passed any such resolution, it shall give notice thereof in writing to all its members and creditors and notwithstanding any bye-laws or contract to the contrary, any member or creditor shall, during the period of one month of the date or service of the notice upon him, have the option of withdrawing his shares, deposits or loans, as the case may be.

(5) Any member or creditor who does not exercise his option within the period specified in sub-section (4) shall be deemed to have assented to the proposals contained in the resolution.

(6) A resolution passed by a co-operative society under this section shall not take effect, until either-

(a) all the members and creditors have assented, or are deemed to have assented, to the resolution aforesaid; or

(b) all claims of the members and creditors who exercise the option referred to in sub-section (4) within the period specified therein have been met in full or otherwise satisfied.

(7) Where a resolution passed by a co-operative society under this section involved the transfer of any assets and liabilities, the resolution shall, not withstanding anything contained in any law for the time being in force, be a sufficient conveyance to vest the assets and liabilities in the transferee without any further assurance.

14) **Cancellation of registration certificates of co-operative societies in certain cases**:- (1) Where the whole of the assets and liabilities of a co-operative society are transferred to another co-operative society in accordance with the provisions of section 13, the registration of the first-mentioned co-operative society shall stand cancelled and that co-operative society shall be deemed to have been dissolved and shall cease to exist as a corporate body.

(2) Where two or more co-operative societies are amalgamated into a new co-operative society in accordance with the provisions of section 13, the registration of each of the amalgamating societies shall stand cancelled on the registration of the new society and each society shall be deemed to have dissolved and shall cease to exist as a corporate body.

(3) Where a co-operative society divides itself into two or more co-operative societies in accordance with the provisions of section 13, the registration of that society shall stand cancelled on the registration of the new societies and that society shall be deemed to have been dissolved and shall cease to exist as a corporate body.

(4) The amalgamation and splitting of co-operative societies shall not in any manner whatsoever affect and right or obligation of the resulting co-operative society or societies or render defective any legal proceedings by or against the co-operative society or societies, and any legal proceedings that might have been continued or commenced by or against the co-operative society or societies, as the case may be, before the amalgamation or splitting, may be continued or commenced by or against the resulting co-operative society or societies.

CHAPTER III

MEMBERS OF CO-OPERATIVE SOCIETIES AND THEIR RIGHTS AND LIABILITIES

15. (1) ***Person who may become members***:- No person shall be admitted as a member of a co-operative society except the following, namely:-

(a) an individual competent to contract under section II of the Indian Contract Act, 1872; 9 of 1872.

(b) any other co-operative society;

(c) the Government ; and

(d) such class or classes of persons or associations of persons as may be notified by the Chief Commissioner in this behalf.

(2) Notwithstanding anything contained in sub-section (1); the Chief Commissioner may, having regard to the fact that the interest of any person or class of person conflicts or is likely to conflict with the objects of any society or class of societies, by general or special order, published in the Official Gazette, declare that any person or class of persons engaged in or carrying on any profession, business or employment shall be disqualified from being admitted, or for continuing, as members or shall be eligible for membership only to a limited extent of any specified society or class of societies, so long as such persons is or are engaged in or carrying on that profession business or employment, as the case may be.

16.(**1*) Nominal or associate members*:**- Notwithstanding anything contained in section 15, a co-operative society may admit any person [including any bank referred to in sub-clause (i) or sub-clause (ii) or sub-clause (iii) or sub-clause (v) of clause (g) of section 2] as a nominal or associate member in accordance with its bye-laws.

(2) A nominal or associate member shall not be entitled to any share in any form whatsoever in the assets or profits of the co-operative society.

(3) Save as otherwise provided in this section, a nominal or associate member shall have such privileges and rights of a member and be subject to such liabilities of a member, as may be specified in the bye-laws of the co-operative society.

17. ***Member not to exercise rights till due payment made***:- No member of a co-operative society shall exercise the rights of a member unless he has made such payments to the society in respect of membership or has acquired such interest in the society as may be specified in the bye-laws.

18. **Votes of members:- Every member of a co-operative society shall have only one vote in the affairs of the society**:

Provided that-

(a) in the case of an equality of votes, the chairman shall have a second or casting vote.

(b) a nominal or associate member shall not have the right of vote; and

(c) where the Government is a member of the co-operative society, such person nominated by the Chief Commissioner on the committee shall have one vote.

19. **Manner of exercising vote**:- (1) Every member of a co-operative society shall exercise his vote in person and no member shall be permitted to vote by proxy.

(2) Notwithstanding anything contained in sub section (1), a co-operative society which is a member of another co-operative society, may subject to the rules, appoint one of its member to vote on its behalf in the affairs of that other society;

20. **Restriction on transfer of shares or interest**: - The transfer of the share or interest of a member in the capital of a co-operative society shall be subject to such conditions as to maximum holding as are specified in section 6.

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21. ***Transfer of interest on death of member***:- On the death of member, a co-operative society may transfer the share or interest of the deceased member to the person so nominated in accordance with the rules made in this behalf, or if, there is no person so nominated , to such person as may appear to the committee to be the heir on legal representative of the deceased member, or pay to such nominee, heir of legal representative, as the case may be, a sum representing the value of such member's share or interest as ascertained in accordance with the rules or bye-laws:

Provided that-

(i) in the case of a co-operative society with unlimited liability, such nominee, heir or legal representative, as the case may be, may require payment by the society of the value of the share or interest of the deceased member ascertained as aforesaid;

(ii) in the case of a co-operative society with limited liability, the society shall transfer the share or interest of the deceased member to such nominee, heir or legal representative, as the case may be, being qualified in accordance with rules and bye-laws for membership of the society, or on his application within one month of the death of the deceased member to any person specified in the application who is so qualified; and

(iii) no such transfer or payment shall be made except with the consent of the nominee, heir or legal representative, as the case may be.

(2) A co-operative society shall subject to the provisions of section 31 and unless, within six months of the death of the member prevented by an order of a competent court, pay such nominee heir or legal representative, as the case may be, all other moneys due to the deceased member from the society.

(3) All transfers and payments made by a co-operative society in accordance with the provisions of this section be valid and effectual against any demand made upon the society by any other person.

22. ***Liability of past member and estate of deceased member***:- (1) Subject to the provisions of sub-section (2) the liability of a past member or the estate of a deceased member of a co-operative society for the debts of the society as they existed,-

(a) in the case of a past member, on the date on which he ceased to be a member;

(b) in the case of a deceased member, on the date of his death, shall continue for a period of two years from such date;

Provided that the liability of the Government or of a credit agency which has takes shares in a co-operative society shall cease on the date on which the Government or the credit agency ceases to be a member.

(2) Where a co-operative society is ordered to be wound up under section 57, the liability of a past member who ceased to be a member or of the estate of a deceased member who died within two year immediately preceding the date of the order of winding up, shall continue until the entire liquidation proceedings are completed, but such liability shall extend only to the debts of the society as they existed on the date of cessation of membership or death, as the case may be.

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CHAPTER IV

MANAGEMENT OF CO-OPERATIVE SOCIETIES

23. ***Final authority in a co-operative society*** :- (1) The final authority in a co-operative society shall vest in the general body members:

Provided that where the bye-laws of a co-operative society provide for the constitution of a smaller body consisting of delegates of members of the society elected or selected in accordance with such bye-laws, such smaller body shall exercise such powers of the general body as may be prescribed or as may be specified in the bye-laws of the society.

(2) Notwithstanding anything contained in sub-section(2) of section19, each delegate shall have only one vote in the affairs of the society.

24. *Annual general meeting* :- A general meeting of a co-operative society shall be held once in a year for the purpose of

(a) approval of the programme of the activities of the society prepared by the committee for the ensuing year;

(b) election, if any, of the members of the committee other than nominated members:

(c) consideration of the audit report and the annual report;

(d) disposal of the net profit:

(e) consideration and approval of the annual budget ; and

(f) consideration of any other matter which may be brought forward in accordance with the bye-laws.

25. *Special general meeting*:- (1) The committee of a co-operative society may, at any time, call a special general meeting of the society and shall call such meeting within one month after the receipt of a requisition in writing from the Registrar or from such number of members or a proportion of the total number of members, as may be provided in the bye-laws.

(2) If a special general meeting of a co-operative society is not called in accordance with the requisition referred to in sub-section (1), the Registrar or any person authorized by him in this behalf shall have the power to call such meeting and that meeting shall be deemed to be a meeting called by the committee.

26. ***Election and nomination of members of committees*:-** (1) The members of the committee of a co-operative society shall be elected in the prescribed manner and no person shall be so elected unless he is a shareholder of the society.

(2) Notwithstanding anything contained in sub-section (1)-

(a) where the Government has subscribed to the share capital of a co-operative society, the Chief Commissioner or any person authorized by the Chief Commissioner in this behalf shall have the right to nominate on the committee such number of persons not exceeding three or one-third of the total number of members thereof, whichever is less, as the Chief Commissioner or such authorized person may determine:

(b) Where the industrial Finance Corporation established under section 3 of the industrial Finance Corporation Act, 1948*(15 of 1948)* or any credit agency has provided finance to a co-operative society, the said Industrial Finance Corporation, or such credit agency, as the case may be, shall have the right to nominate one person on the committee,

(3) A person nominated under sub- section (2) shall hold office during the pleasure of the Chief Commissioner or the said Industrial Finance Corporation or such credit agency, as the case may be.

27. ***Super-session of committee***:- (1) If, in the opinion of the Registrar, the committee of any co-operative society persistently makes default or it is negligent in the performance of the duties imposed on it by this Regulation or the rules or bye-laws, or commits any act which is prejudicial to the interest of the society or its members, the Registrar may, after giving committee an opportunity to state its objection, if any, by order in writing remove the committee; and

(a) order fresh election of the committee ; or

(b) appoint one or more administrators, who need not be members of the society, to manage the affairs of the society for such period not exceeding one year as may be specified in the order which period may at the discretion of the Registrar, be extended from time to time, so however, that the aggregate period does not exceed three years.

(2) The Registrar may fix such remuneration for the administrator or administrators as he may think fit and such remuneration shall be paid out of the funds of the co-operative society.

(3) The administrator shall, subject to the control of the Registrar and to such instructions as he may from time to time give, have power to exercise all or any of the functions of the committee or of any officer of the society and take all such actions as may be required in the interest of the society.

(4) The administrator shall, at the expiry of his term of office, arrange for the constitution of a new committee in accordance with the bye-laws of the society.

(5) Before taking any action under sub-section (1) in respect of a co-operative society indebted to a credit agency, the Registrar shall consult the Credit agency, to which it is indebted regarding such action.

28. *Securing possession of records etc*:- (1) If:-

(a) in the opinion of the Registrar, the records (including registers and books of account) of a co-operative society are likely to be tampered with or destroyed or the funds or other property of a co-operative society are likely to be misappropriated or misapplied;

(b) the committee of a co-operative society is reconstituted at a general meeting of the society ; or

(c) the committee of a co-operative society is removed by the Registrar under section 27; or

(d) a co-operative society is ordered to be wound up under section 57 and the outgoing members of the committee thereof refuse to hand over charge of the records and property of the society to those having, or entitled to receive, such charge,

the Registrar may apply to the Magistrate within whose jurisdiction the society functions for securing such records and property of the society.

(2) On receipt of an application under sub-section (1), the Magistrate may, by a warrant, authorize any police officer, not below the rank of a sub-inspector to enter and search any place where such records and property are kept or are believed to be kept and to seize such records and property, and the records and property so seized shall be handed over to the new committee or administrator of the society or the liquidator, as the case may be.

29. *Acts of a co-operative societies not to be invalidated by certain defects*:- No act of a co-operative society or of any committee or any officer of the society shall be deemed to be invalid by reason only of the existence of any defect in procedure or in the constitution of the society or of the committee or in the appointment or election of an officer or on the ground that such officer was disqualified for his office.

CHAPTER V

PRIVILEGES OF CO-OPERATIVE SOCIETIES

30. ***Co-operative societies to be bodies corporate*:-** The registration of co-operative society shall render it a body corporate by the name under which it is registered having perpetual succession and a common seal, and with power to hold property, enter into contract, institute and defend suits and other legal proceedings and to do all things necessary for the purposes for which it is constituted.

31. ***First charge of co-operative society on certain assets*** :-

(1) Notwithstanding anything contained in any law for the time being in force, but subject to any prior claim of the Government in respect of land revenue or any money recoverable as land revenue, any debt or outstanding demand due to a co-operative society by any member or past member or deceased member shall be a first charge upon the crops and other agriculture produce, cattle, fodder for cattle, agricultural or industrial implements or machinery, raw materials for manufacture and any finished products manufactured from such raw material belonging to such member, past member or forming part of the estate of the deceased member, as the case may be.

(2) No person shall transfer any property which is subject to a charge under sub-section (1) except with the previous permission in writing of the co-operative society which holds the charge.

(3) Notwithstanding anything contained in any law for the time being in force, any transfer of property made in contravention of the provisions of sub-section (2) shall be void.

(4) The charge created under sub-section(1) shall be available as against any claim of the Government arising from a loan granted under the land Improvement Loans Act, 1883, (19 of 1883)or the agriculturists loans act 1884, (12 of 1884) after the grant of the loan by the co-operative society.

32. ***Charge on immovable property of members borrowing loans from certain societies***:- Notwithstanding anything contained in this Regulation or in any other law for the time being in force-

(i) any person who makes an application to a society of which he is a member for a loan shall, if he own any land or has interest in any land as a tenant, make a declaration in the prescribed form which shall state that the applicant thereby creates a charge on such land or interest specified in the declaration for the payment of the amount of the loan which the society may make to the member in pursuance of the application and for all future advances, if any, required by him which the society may make to him as such member subject to such maximum as may be determined by the society together with interest on such amount of the loan and advances;

(ii) any person who has borrowed a loan from a society of which he is a member before the commencement of this Regulation, and who owns any land or has any interest in any land as a tenant shall, in a case where such loans subsists immediately before such commencement, make a declaration in the form and to the effect referred to clause (i);

(iii) a declaration made under clause (i) or clause 9ii) may be varied at any time by a member with the consent of the society in favour of which a charge referred to in clause (i) is created;

(iv) no member shall alienate the whole or any part of the land or interest therein, specified in the declaration made under clause (i) or clause (ii) until the whole amount borrowed by the member together with interest thereon is paid in full;

Provided that for the purpose of paying in full the whole amount borrowed by the member together with interest thereon to the society, the member may, with the previous permission in writing of the society and subject to such conditions as the society may impose, alienate the whole or any part of such land or interest therein;

Provided further that the standing crops on any such land may be alienated with the previous permission of the society;

(v) any alienation made in contravention of the provision of clause (iv) shall be void;

(vi) subject to the prior claims of the Government in respect of land revenue or any money recoverable as land revenue, there shall be a first charge in favour of the society on the land or interest specified in the declaration made under clause (i) or clause (ii) for and to the extent of the dues owing by him on account of the loan and address;

(vii) the record of rights shall also include the particulars of every charge on land or interest created under a declaration under clause (i) or clause(ii).

Explanation:- For the purpose of this section, "society" means any co-operative society or class of co-operative societies specified in this behalf by the Chief Commissioner by a general or special order.

33. ***Charge and set-off in respect of share or contribution or interest of the members***:- A co-operative society shall have a charge on the share or contribution or interest in the capital and on the deposits of a member or past member or deceased member and on any dividend, bonus or profits payable to a member or past member or the estate of a deceased member in respect of any debt due from such member or past member or the estate of such deceased member to the society, and may set-off any sum credited or payable to a member or past member or the estate of a deceased member in or towards payment of any such debt.

34. ***Share or contribution or interest not liable to attachment***:-

(1) Subject to the provisions of section 33, the share or contribution or interest of a member or past member or deceased member in the capital of a co-operative society shall not be liable to attachment or sale under any decree or order of any court in respect of any debt or liability incurred by such member, and an official assignee or a receiver under any law relating to insolvency shall not be entitled to or have any claim on such share or contribution or interest.

(2) The reserve fund, or the bad debt reserves, or the provident fund of the employees, of a co-operative society invested by such society in accordance with the provision of this Regulation and the rules shall not be liable to attachment under any decree or order of a court in respect of any debt or liability incurred by the society .

35. ***Register of members***:- Any register or list of members or shares kept by any co-operative society shall be *prima facie* evidence of any of the following particulars entered therein, namely:

(a) the date on which any person entered in such register or list became a member;
(b) the date on which any such person ceased to be a member.

36. ***Admissibility of copy of entry as evidence*** :- A copy of any entry in a book of a co-operative society regularly kept in the course of its business, shall, if certified in such manner as may be prescribed, be received in any suit or legal proceedings as *prima facie* evidence of the existence of such entry and shall be admitted as evidence of the matters, transactions and accounts therein recorded in every case where, and to the same extent as, the original entry itself is admissible.

(2) No officer of a co-operative society and no officer in whose office the books of co-operative society are deposited after liquidation shall, in any legal proceedings to which the society or the liquidator is not a party, be compelled to produce any of the society's books or documents the contents of which can be proved under this section, or

to appear as witness to prove the matter, transactions and accounts therein recorded, except under an order of a court or an arbitrator made for special cause.

37. ***Exemption from compulsory registration of instruments***:- Nothing in clauses (b) and (c) of sub-section 17 of the Registration Act, 1908 (16 of 1908) shall apply to –

(1) any instruments relating to shares in a co-operative society notwithstanding that the assets of the society consist in whole or in part of immovable property; or

(2) any debenture issued by any such society and not creating declaring, assigning, limiting or extinguishing any right, title or interest to or in immovable property to except in so far as it entitles the holder thereof to the security afforded by a registered instrument whereby the society has mortgaged, conveyed, or otherwise transferred the whole or part of its immovable property or any interest therein to trustees upon trust for the benefit of the holders or such debentures; or

(3) an endorsement upon or transfer of any debentures issued by any such society.

38. ***Exemption from certain taxes, fees and duties***:- If the Chief Commissioner is of opinion that it is necessary in the public interest so to do, he may, by notification in the Official Gazette:

(a) remit in respect of any class of co-operative societies any fee payable under any law for the time being in force relating to the registration of documents or court-fees;

(b) exempt any class of co-operative societies from payment of –

(i) land revenue;

(ii) taxes on agricultural income;

(iii) taxes on sale or purchase of goods; or

(iv) taxes on professions, trades, callings and employments,

39. *Deduction from salary to meet co-operative society's claim in certain cases*:- (1) Notwithstanding anything contained in any law for the time being in force a member of co-operative society may execute an agreement in such form as may be prescribed in favour of the society providing that his employer or the officer disbursing his salary or wages shall be competent to deduct every month from the salary or wages payable to him, such amount as may be specified in the agreement but not exceeding one-third of the salary or wages and to pay the amount so deducted to the society in satisfaction of any debt or other demand owing by the member to the society.

(2) On the execution of such agreement, the employer or the officer disbursing the salary or wages of the members shall, if so required by the co-operative society by a requisition in writing and so long as the society does not intimate that the whole of such debt or other demand has been paid, make the deduction in accordance with the agreement and pay and the pay the amount so deducted to the society within fourteen days from the date of the deduction.

(3) If after the receipt of requisition made under sub-section (2), the employer or the officer disbursing the salary or wages of the member at any time fails to deduct the amount specified in the requisition or makes default in remitting the amount deducted to the society, the society shall be entitled to recover any such amount from such employer or officer, as the case may be, as arrears of land revenue and the amount due from such employer or official shall rank in priority in respect of the liability of such employer or officer equal to that of the salary or wages in arrears.

(4) The employer or the officer disbursing the salary or wages shall maintain such registers as may be prescribed by the Chief Commissioner or the Registrar from the time to time.

(5) When a requisition in writing from any co-operative society registered or deemed to be registered in any State in respect of a member of that society who for the time being is employed in the Union Territory, is received by his employer, the requisition shall be acted upon as if it has been made by a co-operative society in the Union Territory.

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40. ***Other forms of State aid to co-operative societies***:- Notwithstanding anything contained in any law for the time being in force, the Government may:-

(a) subscribe to the share capital of a co-operative society;

(b) give loans or make advances to a co-operative society;

(c) guarantee the repayment of principal and payment of interest on debentures issued by a co-operative society;

(d) guarantee the repayment of share capital of a co-operative society and dividends thereon at such rates as may be specified by the Government;

(e) guarantee the repayment of principal and payment of interest on loans and advances to a co-operative society; and

(f) give financial assistant in any other form, including grants and subsidies, to a co-operative society.

CHAPTER VI
PROPERTIES AND FUNDS OF CO-OPERATIVE SOCIETIES

41. ***Funds not to be divided by way of profit*** :- No part of the funds of a co-operative society shall be divided by way of bonus or dividend or otherwise among its members :

Provided that payment may be made to a member for the work done by him as secretary or as clerk on such scale as may be prescribed by the bye-laws :

Provided further that after at least one-fourth of the net profits in any year have been carried to a reserve fund, payments from the remainder of such profits and from any profits of past years available for distribution may be made –

(a) as a bonus to a member for any specific service rendered by him to the co-operative society including work done as secretary or as clerk ; and

(b) among the members to such extent and under such conditions as may be prescribed or as may be specified in the bye-laws :

Provided also that no dividend shall be paid on the paid-up share capital of members at a rate exceeding twelve percent per annum.

42. ***Contribution to charitable purpose*** :- Any co-operative society may, with the sanction of the Registrar, after one-fourth of the net profits in any year has been carried to a reserve fund, contribute an amount not exceeding five percent of the remaining net profits to any purpose connected with the development of co-operative movement or charitable purpose as defined in section 20 of the Charitable Endowments Act, 1890. (6 of 1890).

43. ***Contribution to Co-operative Education Fund*** :- A co-operative society shall out of its net profits in any year credit such portion of the profits not exceeding five per cent, as may be prescribed to the Co-operative Education Fund constituted under the rules.

44. ***Investments of funds*** :- (1) A co-operative society may invest or deposit its funds -

(a) in the post office savings bank; or
(b) in any of the securities specified in section 20 of the Indian Trusts Act, 1882 (2 of 1882); or
(c) in the shares or securities of any other co-operative society; or
(d) in any banking company as defined in section 5 of the Banking Regulation Act, 1949 (10 of 1949), approved in this behalf by the Registrar; or
(e) in any corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970); or

(f) in any State Bank of India constituted under section 3 of the State Bank of India Act, 1955 (23 of 1955) or in any subsidiary banks as defined in section 2 of the State Bank of India (Subsidiary Banks) Act 1959 (38 of 1959).

(2) Every investment or deposit made by a co-operative society of its funds before the commencement of this Regulation which would have been valid if this Regulation had been in force at the time or times such investment or deposit was made, shall be deemed to have been made under this Regulation.

45. ***Restrictions on loans*** :- (1) A co-operative society shall not make a loan to any person other than a member:

Provided that with the general or special sanction of the Registrar, a co-operative society may make loans to another co-operative society.

(2) Notwithstanding anything contained in sub-section (1), a co-operative society may make a loan to a depositor on the security of his deposit.

46. ***Restrictions on borrowing*** :- (1) A co-operative society shall receive deposits and loans only to such extent and under such conditions as may be prescribed or as may be specified in the bye-laws.

47. ***Restrictions on other transactions with non-members*** :- Save as otherwise provided in sections 45 and 46, every transaction of a co-operative society with any person, other than a member, shall be subject to such prohibitions and restrictions, if any, as may be prescribed.

CHAPTER VII
AUDIT, INQUIRY, INSPECTION AND SURCHARGE

48. ***Audit*** :- (1) The Registrar shall audit or cause to be audited by a person authorised by him by general or special order in writing in this behalf, the accounts or every co-operative society at-least once in each year.

(2) The audit under sub-section (1) shall include an examination of overdue debts, if any, the verification of the cash balance and securities, and a valuation of the assets and liabilities of the co-operative society.

(3) The person auditing the accounts of a co-operative society shall have free access to the books, accounts, papers, vouchers, stock and other property of the society and shall be allowed to verify its cash balance and securities.

(4) The directors, members of the staff, administrators and other officers of every co-operative society shall furnish to the person auditing its accounts all such information as to its transactions and working as such person may require--

(5) The Registrar or the person authorised by him under sub-section (1) to audit the accounts of a co-operative society shall have power, where necessary –

(a) to summon at the time of his audit any officer, agent, servant or member of the society, past or present, who , he has reason to believe, can give valuable information in regard to transactions of the society or the management of its affairs ; and

(b) to require the production of any book or document relating to the affairs of, or any cash or securities belonging to, the society by any officer, agent, servant or member of the society in possession of such books, documents, cash or securities and in the event of serious irregularities discovered during audit, to take them into custody.

(6) If at the time of audit the accounts of a society are not complete, the Registrar or the person authorised by him under sub-section (1) to audit, may cause the accounts to be written up at the expense of the society.

(7) Audit fee, if any, due from any co-operative society shall be recoverable in the same manner as is provided in section 67.

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49. ***Inspection of co-operative societies*** :- (1) The Registrar, or any person authorised by the Registrar by general or special order in this behalf, may inspect a co-operative society.

(2) For the purpose of inspection, the Registrar or the person authorised to make the inspection shall at all times have access to all books, accounts, papers, vouchers, securities, stock and other property of the co-operative society and may in the event of serious irregularities discovered during the inspection take them into custody and shall have power to verify the cash balance of the society and subject to the general or special order of the Registrar to call a meeting of the committee and a general meeting.

(3) Every officer or member of a co-operative society shall furnish such information with regard to the working of the society as the Registrar or the person authorised to make the inspection may require.

50. ***Inquiry by Registrar*** :- (1) Registrar may, of his own motion or on the application of a majority of the members of the committee or of not less than one-third of the members, hold an inquiry or direct some person authorised by him by order in writing in this behalf to hold an inquiry into the constitution, working and financial condition of a co-operative society.

(2) The Registrar or the person authorised by him under sub-section (1) shall have the following powers, namely

(a) he shall at all reasonable times have free access to the books, documents, securities, accounts, cash and other properties belonging to or in the custody of the society and may summon any person in possession

or responsible for the custody of any such books, accounts, documents, securities, cash or other properties to produce the same at the headquarters of the society or any branch thereof;

(b) he may, notwithstanding any rule or bye-law specifying the period of notice for a General meeting of the society, require the officers of the society to call a general meeting at such time and place at the headquarters of the society to consider such matters, as may be directed by him; and where the officers of the society refuse or fail to call such a meeting he shall have power to call it himself;

(c) he may summon any person who is reasonably believed by him to have any knowledge of the affairs of the society to appear before him at any place at the headquarters of the society or any branch thereof and may examine such person on oath.

(3) Any meeting called under clause(b) of sub-section (2) shall have all the powers of a general meeting called under the bye-laws of the society and its proceedings shall be regulated by such bye-laws.

(4) The Registrar shall communicate the brief summary of the report of the inquiry to the society, the credit agency, if any, to which the society is affiliated, and to the persons or authority, if any, at whose instance the inquiry is made.

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51. ***Inspection of books of indebted societies*** :- (1) The Registrar shall, on the application of a creditor of a co-operative society, inspect or direct some person authorised by him by order in writing in this behalf to inspect the books of the society.

Provided that no such inspection shall be made unless the applicant:-

(a) satisfies the Registrar that the debt is a sum then due, and that he has demanded payment thereof and has not received satisfaction within a reasonable time; and

(b) deposits with the Registrar such sum as security for the costs of the proposed inspection as the Registrar my require.

(2) The Registrar shall communicate the result of any such inspection to the creditor.

52. ***Costs of inquiry and inspection*** :-Where an inquiry is held under section 50, or an inspection is made under section 51, the Registrar may apportion the costs, or such part of the costs as he may think fit between the society, the members or creditor demanding an inquiry or inspection, and the officers and the members or past members of the society.

Provided that –

(a) no order of appointment of the costs shall be made under this section unless the society or the person liable to pay the costs there-under has had a reasonable opportunity of being heard;

(b) the Registrar shall state in writing under his own hand the grounds on which the costs are apportioned.

53. ***Recovery of costs*** :- Any sum awarded by way of costs under section 52f may be recovered, on application to a Magistrate having jurisdiction in the place where the person, from whom the money is claimable, actually and voluntarily resides or carries on business, and such Magistrate shall recover the same as if it were a fine imposed by himself.

54. ***Surcharge*** :- (1) If in the course of an audit, inquiry, inspection or the winding up of a co-operative society, it is found that any person, who is or was entrusted with the organisation or management of such society or who is or has at any time been an officer or an employee of the society, has made any payment contrary to this Regulation, the rules or the bye-laws or has caused any deficiency in the assets of the society by breach of trust or wilful negligence or has misappropriated or fraudulently retained any money or other property belonging to such society, the Registrar may, of his own motion or on the application of the committee, liquidator or any creditor, inquire himself or direct any person authorised by him, by an order in writing in this behalf, to inquire into the conduct of such person:

Provided that no such inquiry shall be held after the expiry of six years from the date of any act or omission referred to in this sub-section.

(2)Where an inquiry is made under sub-section (1) the Registrar may after giving the person concerned an opportunity of being heard, make an order requiring him to repay or restore the money or property or any part thereof, with interest at such rate, or to pay contribution and costs or compensation to such extent, as the Registrar may consider just and equitable.

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CHAPTER VIII

SETTLEMENT OF DISPUTES

55. Dispute which may be referred to arbitration :- (1) Not withstanding anything contained in any law for the time being in force, if any dispute touching the constitution, management or the business of a co-operative society arises-

(a) among members, past members and persons claiming through members, past members and deceased members, or

(b) between a member, past members or person claiming through a member, past member or deceased member and the society, its committee or any officer, agent or employee of the society or liquidator, past or present, or

(c) between the society or its committee and any past committee, any officer, agent or employee, or any past officer, past agent or past employee or the nominee, heirs or legal representatives of any deceased officer, deceased agent, or deceased employee of the society, or

(d) between the society and any other co-operative society, between a society and liquidator of another society or between the liquidator of one society and the liquidator of another society,

such dispute shall be referred to the Registrar for decision and no court shall have jurisdiction to entertain any suit or other proceedings in respect of such dispute.

(2) For the purposes of the sub-section (1), the following shall be deemed to include disputes touching the constitution, management or the business of a co-operative society, namely:-

(a) a claim by the society for any debt or demand due to it from a member, past member, or the nominee, heir or legal representative of a deceased member, whether such debt or demand be admitted or not;

(b) a claim by a surety against the principal debtor where the society has recovered from the surety any amount in respect of any debt or demand due to it from the principal debtor as a result of the default of the principal debtor, whether such debt or demand is admitted or not;

(c) any dispute arising in connection with the election of any officer of the society.

(3) If any question arises whether a dispute referred to the Registrar under this section is or is not a dispute touching the constitution, management or business of a co-operative society, the decision thereon of the Registrar shall be final and shall not be called in question in any court.

56. ***Reference of disputes to arbitration*** :- (1) The Registrar may, on receipt of the reference of dispute under section 55-

(a) decide the dispute himself, or

(b) transfer it for disposal to any person who has been invested by the Chief Commissioner with powers in that behalf, or

(c) subject to such rules as may be prescribed, refer it for disposal to an arbitrator or arbitrators appointed by the Registrar.

(2) Subject to such rules as may be prescribed, the Registrar may withdraw any reference transferred under clause(b) of sub-section(1) or referred under clause (c) of that sub-section and decide it himself.

(3) The Registrar may, of his own motion or on the application of a party to a reference, revise any decision thereon by the person to whom such reference was transferred or by the arbitrator or arbitration to whom it was referred;

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Provided that no order prejudicial to any person shall be made under this sub-section unless that person has been given a reasonable opportunity of being heard.

(4) (a) Any decision of the Registrar under clause (a) of sub-section (1) or under sub-section (3) shall be final and shall not be called in question in any court.

(b) Any decision that may be made by the person to whom a reference is transferred or by the arbitrator or arbitration to whom it is referred, shall, save as otherwise provided in sub-section (3), be final and shall not be called in question in any court.

CHAPTER IX
WINDING UP OF CO-OPERATIVE SOCIETIES

57. ***Winding up of co-operative societies*** :- (1) If the Registrar, after an inquiry held under section 50, or an inspection made under section 51, or on receipt of an application made by not less than three-fourth of the members of a co-operative society, is of opinion that the society ought to be wound up, he may after giving the society an opportunity of making its representation, by order, direct it to be wound up.

(2) The Registrar may of his own motion make an order directing the winding up of a co-operative society-

(a) where it is a condition of the registration of a society that the society shall consist of at least ten members and the number of members has been reduced to less than ten; or

(b) where the society has not commenced working or has ceased to function in accordance with co-operative principles.

(3) The Registrar may cancel an order for the winding up of a co-operative society, at any time, in any case where, in his opinion, the society should continue to exist.

(4) A copy of such order shall be communicated by registered post to the society and to the credit agency, if any, of which the society is a member,

(5) Where an appeal against an order for the winding up of a co-operative society is not presented within the period specified under sub-section (2) of section 68, the order shall take effect on the expiry of that period.

(6) Where an appeal against an order for the winding up of a co-operative society is presented within the period specified under sub-section (2) of section 68, the order shall not take effect until it is confirmed by the Chief Commissioner and such confirmation is communicated to the society.

Registrar of Co-operative Societies, Co-operative Department, A&N Islands, VIP Road, Junglighat, Port Blair, PIN-744103 (Contact No.03192232388), 2019.

58. ***Liquidator*** :- (1) Where the Registrar has made an order under section 57 for the winding up of a co-operative society, he may appoint a liquidator for the purpose and fix his remuneration.

(2) Notwithstanding anything contained in sub-section(5) or sub-section (6) of section 57 a liquidator shall, on appointment, take into his (custody) or under his control all the property, effects and actionable claims to which the co-operative society is or appears to be entitled and shall take all such steps as he may deem necessary or expedient, to prevent loss or deterioration of, or damage to, such property, effects and claims and he may carry on the business of the society so far as may be necessary with the previous approval of the Registrar.

(3) Where an appeal is preferred under section 58 against an order for the winding up of a co-operative society made under section 57 the liquidator shall continue to have custody or control of the property, effects and actionable claims in sub-section (2) and have authority to take the steps referred to in that sub-section until the disposal of the appeal.

(4) Where an order for the winding up of a co-operative society is set aside in appeal, the property, effects and actionable claims of the society shall re-vest in the society.

(5) The Registrar may, for reasons to be recorded in writing, remove a liquidator appointed under this section and appoint another liquidator in his place.

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59. ***Powers of liquidator*** :- (1) Subject to any rules made in this behalf, the whole of the assets of a co-operative society, in respect of which an order for winding up has been made, shall vest in the liquidator appointed under section 58 from the date on which the order takes effect and the liquidator shall have power to realise such assets by sale or otherwise,

(2) Such liquidator shall also have power, subject to the control of the Registrar:-

(a) to institute and defend suits and other legal proceedings on behalf of the co-operative society by the name of his office;

(b) to determine, from time to time, the contribution (including debts due and costs of liquidation) to be made or remaining to be made by the members or past members or by the estate or nominees, heirs or legal representatives of deceased members or by any officers or former officers, to the assets of the co-operative society ;

(c) to investigate all claims against the co-operative society and subject to the provisions of this Regulation to decide questions of priority arising between claimants ;

(d) to pay claims against the co-operative society including interest up to the date of winding up according to their respective priorities, if any, in full or rateable, as the assets of the society may permit; the surplus, if any, remaining after payment of the claims being applied in payment of interest from the date of such order of winding up at a rate fixed by him but not exceeding the contract rate in any case;

(e) to determine by what persons and in what proportions the costs of liquidation are to be borne;

(f) to determine whether any person is a member, past member or nominee of a deceased member ;

(g) to give such directions in regard to the collection and distribution of the assets of the co-operative society as may appear to him to be necessary for the winding up of its affairs ;

(h) to carry on the business of the co-operative society so far as may be necessary for its beneficial winding up ;

(i) to make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging to have any claim, present or future, whereby the co-operative society may be rendered liable;

(j) to make any compromise or arrangements with any person between whom and the co-operative society there exists any dispute and to refer any such dispute to arbitration ;

(k) after consulting the members of the co-operative society, to dispose of the surplus, if any, remaining after paying the claims against the society, in such manners as may be prescribed ; and

(l) to compromise all calls or liabilities to calls and debts and liabilities capable of resulting in debts, and all claims, present or future, certain or contingent, subsisting or alleged to subsist between the co-operative society and a contributory or alleged contributory or other debtor or person apprehending liability to the co-operative society and all questions in any way relating to or affecting the assets or the winding up of a co-operative society on such terms as may be agreed and take any security of the discharge of any such call, liability, debt or claims and give a completed discharge in respect thereof.

(3) When the affairs of a co-operative society have been wound up, the liquidator shall make a report to the Registrar and deposit the records of the society in such place as the Registrar may direct.

60. ***Priority of contributions assessed by liquidator*** :- Notwithstanding anything contained in any law relating to insolvency, the contribution assessed by a liquidator shall rank next to debts due to the Government or to any local authority in order of priority in insolvency proceedings.

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61. ***Power of Registrar to cancel registration of a co-operative society*** *:-* (1) The Registrar may after considering the report of the liquidator made to him under sub-section (3) of section 59 order the registration of the co-operative society to be cancelled.

(2) An order passed under sub-section (1) shall be communicated by registered post to the president of the society and to the credit agency, if any, of which the society was a member.

* CHAPTER IX A

SPECIAL PROVISIONS FOR INSURED CO-OPERATIVE BANKS

*** 61A. Notwithstanding anything contained in this Regulations, in the case of an insured co-operative bank**:-

(i) an order for the winding-up, or an order sanctioning a scheme of compromise or arrangement or of amalgamation or reconstruction (including division or reorganisation) of the bank may be only with the previous sanction in writing of the Reserve Bank of India.

(ii) an order for the winding-up of the bank shall be made by the Registrar if so required by the Reserve Bank of India in the circumstances referred to in section 13D of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.

(iii) if so required by the Reserve Bank of India in the public interest or for preventing the affairs of the bank conducted in a manner detrimental to the interests of the depositors or for securing the proper management of the bank, an order shall be made for supersession of the committee of management or other managing body (by whatever name called) of the bank and the appointment of an administrator there for such period or periods, not exceeding five years in the aggregate, as may from time to time be specified by the Reserve Bank of India, and the administrator so appointed shall, after the expiry of his term of office, continue in office until the day immediately preceding the date of the first meeting of the new committee.

(iv) no appeal, revision or review shall lie or be permissible against an order referred to in clause (i), (ii) or (iii) made with the previous sanction in writing or on the requisition of the Reserve Bank of India and such order or sanction shall not be liable to be called in question in any manner.

(v) the liquidator or the insured co-operative bank or transferee bank, as the case may be, shall be under an obligation to repay the amount to the Deposit Insurance and Credit Guarantee Corporation established under the Deposit Insurance and Credit Guarantee Corporation Act, 1961 in the circumstances, to the extent and in the manner referred to in section 21 of the Act.

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Explanation:- For the purpose of this section:-

(i) "Co-operative bank" means a bank as has been defined in the Deposit Insurance and Credit Guarantee Corporation Act, 1961.

(ii) "insured Co-operative bank" means a co-operative society which is an insured bank under the provision of the Deposit Insurance and Credit Guarantee Corporation Act, 1961.

(iii) "transferee bank" in relation to an insured co-operative bank means a co-operative bank:-

(a) with which such insured co-operative bank is amalgamated; or

(b) to which the assets and liabilities of such insured co-operative bank are transferred; or

(c) into which such insured co-operative bank is divided or converted under the provision of section 13 of the Regulation;

(iv) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934;

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CHAPTER X

EXECUTION OF AWARDS DECREES, ORDERS AND DECISIONS

62. ***Enforcement of charge*** :- Notwithstanding anything contained in Chapter VIII or any other law for the time being in force but without prejudice to any other mode of recovery provided in this Regulation, the Registrar or any person subordinate to him empowered by the Registrar in this behalf may, debt on the application of a co-operative society, make an order directing the payment of any debt or outstanding demand due to the society by any member or past or deceased member, by sale of the property or any interest therein, which is subject to a charge under section 31;

Provided that no order shall be made under this section unless the member, past member or the nominee, heir or legal representative of the deceased member, has been served with a notice in the prescribed manner and has failed to pay the debt or outstanding demand within seven days from the date of such notice.

*** (Chapter IXA - *61A) inserted in the Andaman and Nicobar Islands Co-operative Societies Regulation, 1973 vide Gazette of India, Part-II, Section-I of Ministry of Law and Justice (Legislative Department) New Delhi dated 12th March, 1998, Andaman and Nicobar Islands Co-operative Societies (Amendment) Regulation, 1998(No.1 of 1998).**

ANDAMAN & NICOBAR GAZETTTE, EXTRAORDINARY, MAY 13, 1973

63. ***Execution of orders, etc*** :- Every decision, award or order made under section 54, section 56, section 62 or section 68 shall, if not carried out :-

(a) on a certificate signed by the Registrar, or any person authorised by him in this behalf, be deemed to be a decree of a civil court and shall be executed in the same manner as a decree of such court ; or

(b) be executed, by the Registrar or any other person subordinate to him empowered by the Registrar in this behalf, by attachment and sale or by sale without attachment of any property of the person or co-operative society against whom the decision, award or order has been made.

64. ***Execution of orders of liquidator*** :- Every order made by the liquidator under section 59 shall be executed according to the law for the time being in force for the recovery of arrears of land revenue.

65. ***Attachment of property before award or order*** :- If the Registrar is satisfied on an application, report or enquiry that any person with intent to delay or obstruct the enforcement of any order, decision or award that may be made against him under the provisions of this Regulation –

(a) is about to dispose of the whole or any part of the property; or

(b) is about to remove the whole or any part of the property from the jurisdiction of the Registrar, the arbitrator or the liquidator, as the case may be,

he may, unless adequate security is furnished, by order, direct attachment of the said property ; and such attachment shall have the same effect as if made by a competent civil court.

66. ***Registrar or person empowered by him to be civil court for certain purposes*** :- The Registrar or any person empowered by him in this behalf shall be deemed, when exercising any powers under this Regulation for the recovery of any amount by attachment and sale or by sale without attachment of any property, or when passing any orders on any application made to him for such recovery or for taking a step-in-aid of such recovery, to be a civil court for the purposes of article 136 of the First Schedule to the Limitation Act, 1963 (36 of 1963).

67. ***Recovery of sums due to Government*** :- (1) All sums due from a co-operative society, or from an officer or member or past member of a co-operative society as such, to the Government, including any costs awarded to the Government under any provisions of this Regulation, may, on a certificate issued by the Registrar in this behalf, be recovered in the same manner as arrears of land revenue.

(2) Sums due from a co-operative society to the Government and recoverable under sub-section (1) may be recovered firstly, from the property of the society ; secondly, in the case of a society the liability of the members of which is limited, from the members, past members or the estates of deceased members subject to the limit of their liability ; and thirdly in the case of other societies, from the members, past members or the estates of the deceased members.

Provided that the liability of past members and the estates of deceased members shall in all cases be subject to the provisions of section 22.

CHAPTER XI

APPEALS AND REVISION

68. ***Appeals*** :- An appeal shall lie under this section against –

(a) an order of the Registrar made under sub-section (2) of section 8 refusing to registrar a co-operative society ;

(b) an order of the Registrar made under sub-section (4) of section 10 refusing to register an amendment of the bye-laws of a co-operative society or under sub-section (6) (ii) of that section compulsorily registering an amendment to such bye-laws ;

(c) a decision of a co-operative society, other than a producers society, refusing to admit any person as a member of the society, who is otherwise duly qualified for membership under the bye-laws of the society ;

(d) a decision of a co-operative society expelling any of its members ;

(e) an order made by the Registrar under section 27 removing the committee of a co-operative society ;

(f) an order made by the Registrar under section 52 apportioning the costs of an inquiry held under section 50 or an inspection made under section 51 ;

(g) an order of surcharge made by the Registrar under section 54 ;

(h) a decision or award made under section 56 ;

(i) an order made by the Registrar under section 57 directing the winding up of a co-operative society ;

(j) an order made by a liquidator of a co-operative society in exercise of the powers conferred on him by section 59 ;

(k) an order made under section 65 ;

Registrar of Co-operative Societies, Co-operative Department, A&N Islands, VIP Road, Junglighat, Port Blair, PIN-744103 (Contact No.03192232388), 2019.

(2) An appeal against any decision, award or order under sub- section (1) shall be made within sixty days from the date of the decision, award or order –

(a) if the decision, award or order was made by the Registrar, to the Chief Commissioner ; or

(b) if the decision, award or order was made by any other person, to the Registrar ;

Provided that where the Registrar is deemed to have refused registration of a society under sub-section(4) of section 8 and an appeal in intended to be filed against such refusal, such appeal may be filed within sixty days from the expiry of the period of three months referred to in sub-section (3) of that section :

Provided further that the appellate authority may admit an appeal after the said period of sixty days if it is satisfied that the appellant had sufficient cause for not preferring the appeal within the said period.

(3) No appeal shall be lie under the section from any decision or order made by the Registrar in appeal.

(4) In disposing of an appeal under this section, the appellate authority may, after giving the parties an opportunity of making their representation, pass such order thereon as that authority may deem fit.

(5) The decision or order of the appellate authority on appeal shall be final.

69. ***Revision*** :- The Chief Commissioner may, either suo-moto or on an application, call for and examine the records of any proceedings in which no appeal lies to the Chief Commissioner under section 63 for the purpose of satisfying himself as to the legality or propriety of any decision, award or order made and if in any case it shall appear to the Chief Commissioner that any such decision, award or order should be modified, annulled or revised, the Chief Commissioner may, after giving the party to be affected thereby an opportunity of being heard, pass such order thereon as he may deem fit.

70. ***Inter-locutory orders*** :- Where an appeal is made under section 68 or where the Chief Commissioner calls for the records of a case under section 69, the appellate authority or the Chief Commissioner, as the case may be, may, in order to prevent the ends of justice being defeated, make such inter-locutory orders, including an order of stay, pending the decision of the appeal or revision as such authority or the Chief Commissioner may deem fit.

Registrar of Co-operative Societies, Co-operative Department, A&N Islands, VIP Road, Junglighat, Port Blair, PIN-744103 (Contact No.03192232388), 2019.

CHAPTER XII

OFFENCES AND PENALTIES

71. Punishment for certain offences :- (1) It shall be an offence under this Regulation if –

(a) the committee, an officer, employee or any member of a co-operative society wilfully makes a false return or furnishes false information or disobeys a lawful order or direction issued under the provisions of this Regulation ;

(b) any person wilfully or without any reasonable cause disobeys any summon, requisition or other lawful order or direction issued under this Regulation ;

(c) any person wilfully withholds or fails to furnish an information lawfully required from him by a person authorised in this behalf under the provisions of this Regulation ;

(d) any person acts in contravention of section 31 or section 32 ;

(e) the committee or a member thereof wilfully fails to produce books, accounts, documents, records, securities, cash and other properties belonging to or in the custody of a co-operative society.

(2) An offence under sub-section (1) shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to five hundred rupees or with both.

72. ***Prohibition of use of the word "co-operative" or its equivalent***:- (1) No person, other than a co-operative society, shall trade or carry on business under any name or title of which the word "co-operative" or its equivalent in any Indian language is part without the sanction of the Government:

Provided that nothing in this sub-section shall apply to the use by any person or his successor-in-interest of any name or title under which he traded or carried on business on the date on which the Co-operative Societies Act, 1912 (2 of 1912) came into operation.

(2) Whoever contravenes the provisions of sub-section (1) shall be punishable with fine which may extend to two hundred rupees and in the case of a continuing offence with further fine of fifty rupees for each day on which the offence is continued after conviction thereof.

73. ***Punishment for offences not otherwise provided for*** :- Any co-operative society or any officer or member thereof or any other person contravening the provisions of this Regulation for which no punishment is expressly provided herein shall be punishable with fine which may extend to fifty rupees.

74. ***Cognisance of offences*** :- (1) No court inferior to that of a Magistrate of the first class shall try any offence under this Regulation.

(2) No prosecution shall be instituted under this Regulation without the previous sanction of the Registrar and such sanction shall not be given without giving to the person concerned a reasonable opportunity to represent his case.

CHAPTER XIII
MISCELLANEOUS

75. ***Address of co-operative societies*** : Every co-operative society shall have an address registered in the manner prescribed to which all notices and communications may be sent, and shall send to the Registrar notice of every change thereof within thirty days of such change.

76. ***Copy of Regulation, rules, bye-laws, etc., to be open to inspection***:- Every co-operative society shall keep a copy of this Regulation, the rules and its bye-laws and also a list of its members, open to inspection free of charge at all reasonable times at the registered address of the society.

77. ***Power to exempt co-operative societies from conditions as to Registration*** :- Notwithstanding anything contained in this Regulation, the Chief Commissioner may, by special order in each case and subject to such conditions, if any as he may impose, exempt any co-operative society from any of the requirements of this Regulation as to registration, if he is satisfied that such exemption is necessary having regard to the nature of the activities of the society or that such exemption is necessary in the public interest or in the interest of the co-operative movement.

78. ***Power to exempt co-operative societies from provisions of the Regulation***:- The Chief Commissioner may, by general or special order, exempt any co-operative society or any class of co-operative societies from any of the provisions of this Regulation or may direct that such provision shall apply to such societies or class of societies with such modifications as may be specified in the order if he is satisfied that such exemption or direction is necessary having regard the nature of the activities of the society or class of societies or that such exemption or direction is necessary in the public interest or in the interest of the co-operative movement.

79. ***Registrar and other officers to be public servants*** :- The Registrar, a person appointed to assist the Registrar under section 3, a person authorised to audit the accounts of a co-operative society under section 48 or to make an inspection under section 49 or to hold an inquiry under section 50 and a person appointed as an arbitrator under section 56 or a liquidator appointed under section 58 shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (45 of 1860).

80. ***Notice necessary in suits*** :- No suit shall be instituted against a co-operative society or any of its officers in respect of any act touching the constitution, management or business of the society until the expiration of three months next after notice in writing has been delivered to the Registrar or left at his office, stating the cause of action, the name, description and place of residence of the plaintiff and the relief which he claims, and the plaint shall contain a statement that such notice has been so delivered or left.

81. ***Companies Act not to apply*** :- The provisions of the Companies Act, 1956 (1 of 1956) shall not apply to co-operative societies.

82. ***Savings of existing societies*** :- (1) Every society now existing, which has been registered under the Co-operative Societies Act, 1912 (2 of 1912), as it applies to the Union territory of the Andaman and Nicobar Islands, shall be deemed to be registered under the corresponding provisions of this Regulation, and its bye-laws shall, so far as they are not inconsistent with the provisions of this Regulation or the rules, continue to be in force until altered or rescinded.

(2) All appointments, rules and orders made, all notifications and notices issued and all suits and other proceedings instituted under the said Act shall, so far as they are not inconsistent with the provisions of this Regulation, be deemed to have been respectively made, issued and instituted under this Regulation save that an order cancelling the registration of a co-operative society made under the said Act shall be deemed, unless the society has already been finally liquidated as an order made under section 57 for its being wound up.

83. ***Bar of jurisdiction of courts*** :- (1) Save as otherwise provided in this Regulation, no court shall have any jurisdiction in respect of -

(a) the registration of a co-operative society or its bye-laws or of an amendment of the bye-laws ;

(b) the removal of a committee ;

(c) any dispute required under section 55 to be referred to the Registrar ; and

(d) any matter concerning the winding up and the dissolution of a co-operative society.

(2) While a co-operative society is being wound up, no suit or other legal proceeding relating to the business of such society shall be proceeded with or instituted against the liquidator as such or against the society or any member thereof, except by leave of the Registrar and subject to such terms as he may impose.

(3) Save as otherwise provided in this Regulation, no order, decision or award made under this Regulation shall be questioned in any court on any ground whatsoever.

84. ***Registrar, etc., to have powers of a civil court*** :- (1) In exercising the functions conferred on him by or under this Regulation, the Registrar, the arbitrator or any other person deciding a dispute under section 56 and the liquidator of a co-operative society and a person entitled to audit, inspect or hold an inquiry under this Regulation shall have all the powers of a civil court, while trying a suit under the Code of Civil Procedure, 1908 (5 of 1908) in respect of the following matters, namely :-

(a) summoning and enforcing the attendance of any person and examining him on oath ;

(b) requiring the discovery and production of any document ;

(c) proof of facts by affidavits ; and

(d) issuing commissions for examination of witnesses.

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(2) In the case of an affidavit, any officer appointed by the Registrar, the arbitrator or any other person deciding a dispute or the liquidator, as the case may be, may administer the oath to the deponent.

85. ***Indemnity*** :- No suit, prosecution or other legal proceeding shall lie against the Registrar or any person subordinate to him or acting on his authority in respect of anything in good faith done or purporting to have been done under this Regulation.

* 86. ***Power to make rule*** :- (1) The Chief Commissioner (now the Lieutenant Governor (Administrator), Andaman and Nicobar Islands) may, by notification in the Official Gazette and subject to the condition of previous publication, make rules or further to amend to carry out all or any of the purposes of this Regulation.

* (**Notification No.90/96/F.No.30-51/94-Dev.I(Coop) dated 03rd October, 1996 of Andaman and Nicobar Islands Cooperative Societies Regulations, 1973 (No.3 of 1973) in the Andaman and Nicobar Gazette, Extra Ordinary issue No.94 dated 03rd October, 1996**)

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:-

(i) the maximum number of shares or portion of the capital of a co-operative society which may, subject to the provisions of section 6, be held by a member ;

(ii) the form to be used and the conditions to be complied with in the making of applications for the registration of a co-operative society and the procedure in the matter of such applications ;

(iii) the procedure and conditions for change in the form and extent of the liability of co-operative society ;

(iv) the matters in respect of which a co-operative society may or shall make bye-laws and the procedure to be followed in making, altering and abrogating bye-laws and the conditions to be satisfied prior to such making, alteration or abrogation;

(v) the conditions to be complied with by person applying for admission or admitted as members, for the election and admission of members, and the payment to be made and the interest to be acquired before the exercise of the right of membership ;

(vi) the manner in which funds may be raised by means of shares or debentures or otherwise ;

(vii) general meetings of the members and the procedure at such meetings and the powers to be exercised by such meetings ;

(viii) the prohibitions and restrictions subject to which co-operative societies may transact business with persons who are not members ;

(ix) the proportion of individuals and co-operative societies in the constitution of the committee of management and the general body of a co-operative society of which another co-operative society is a member ;

(x) subject to the provisions of section 26, the election and nomination of members of committees, the appointment or election of officers and the suspension and removal of the members and other officers, and the powers to be exercised and the duties to be performed by the committees and other officers ;

(xi) the appointment and regulation of work entrusted to the person or persons replacing the committee in pursuance of section 27 ;

(xii) prohibiting a co-operative society form electing a defaulting member on its committee or to be its representative ;

(xiii) the accounts and books to be kept by a co-operative society, the audit of such accounts and the charges, if any, to be made for such audit, and the periodical publication of a balance sheet showing the assets and liabilities of a co-operative society ;

(xiv) the returns to be submitted by a co-operative society to the Registrar, the persons by whom and the form in which such returns shall be submitted and in case of failure to submit any such return, the levy of expenses of preparing it ;

(xv) the persons by whom and the form in which copies of entries in books of co-operative societies may be certified and the charges to be levied for the supply of such copies ;

(xvi) the formation and maintenance of a register of members and, where the liability of the members is limited by shares, of a register of shares ;

(xvii) the appointment of an arbitrator to decide disputes ;

(xviii) the procedure to be followed in proceedings before the Registrar, arbitrator or other persons deciding disputes including the appointment of a guardian for a party to the dispute who is a minor or who, by reason of unsoundness of mind or mental infirmity, is incapable of protecting his interests, and the levy of expenses relating to such proceedings ;

(xix) the withdrawal and expulsion of members and the payments, if any, to be made to members who withdraw or are expelled and the liability of past members or the estates of deceased members ;

(xx) the mode in which the value of deceased member's share or interest shall be ascertained and the nomination of a person to whom such share or interest may be paid or transferred ;

(xxi) the payments to be made and the conditions to be complied with by members applying for loans, the period for which any loans may be made and the maximum amount which may be lent, to any member ;

(xxii) the formation and maintenance of reserve funds and other funds and the objects to which such funds may be applied , and the investment of any funds under the control of a co-operative society;

(xxiii) the extent to which a co-operative society may limit the number of its members ;

(xxiv) the conditions under which profits may be distributed to the members of a co-operative society with unlimited liability, and the maximum rate of dividend which may be paid by co-operative societies ;

(xxv) the calculation and writing off of bad debts by co-operative societies ;

(xxvi) the procedure to be followed by a liquidator appointed under section 58 in respect of the provisions of section 59 ;

(xxvii) the procedure to be followed in presenting and disposing of appeals under this Regulation :

(xxviii) the issue and service of processes and for proof of service thereof ;

(xxix) the manner of effecting attachment ;

(xxx) the custody, preservation and sale of property under attachment;

(xxxi) the investigation of claim by persons other than the defaulter to any right or interest in the attached property, and the postponement of sale pending such investigation ;

(xxxii) the immediate sale of perishable articles ;

(xxxiii) the inspection of documents in the office of the Registrar of any other officer or authority and the levy of the fees for granting certified copies of the same ;

(xxxiv) the terms and conditions on which Government may make share capital contribution or give financial or other assistance to co-operative societies and the terms and conditions on which the Government may guarantee the payment of the principal or interest on the debentures issued by co-operative societies or loans or deposits raised by them ;

(xxxv) the manner in which the funds may be raised by a co-operative society or a class of co-operative societies by means of share or debentures or otherwise and the quantum of funds so raised ;

(xxxvi) the qualifications for members of the committee and the employees of a co-operative society or class of co-operative societies and the conditions of service subject to which persons may be employed by co-operative societies ;

(xxxvii) the method of communicating or publishing any order, decision or award required to be communicated or published under this Regulation of the rules ; and

(xxxviii) all other matters expressly required or allowed by this Regulation to be prescribed by rules.

87. ***Repeal and savings*** :- The Co-operative Societies Act, 1912 (2 of 1912) in its application to the Union Territory of the Andaman and Nicobar Islands, is hereby repealed :

Provided that such repeal shall not affect –

(a) the previous operation of the said Act or anything duly done or suffered there under; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under the said Act ; or

(c) any penalty, forfeiture, or punishment incurred in respect of any offence committed against the said Act, or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty forfeiture or punishment as aforesaid

and any such investigation, legal proceeding or remedy may be instituted continued or enforced and any such penalty forfeiture or punishment may be imposed as if this Regulation had not been passed.

V. V. GIRI,
President

K.K.SUNDARAM,
Secy. to the Govt. of India

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ANDAMAN AND NICOBAR GAZETTE
EXTRAORDINARY
Published BY Authority

No. 167, Port Blair, Wednesday, October 16, 1974 / Asvina 24, 1896

ANDAMAN AND NICOBAR ADMINISTRATION
CHIEF COMMISSIONER'S SECRETARIAT

NOTIFICATION

Port Blair, the 16th October, 1974/Asvina 24, 1896.

No. 164/74/F.No.1/1(135)/73-Dev.II. In exercise of the powers conferred by section 86 of the Andaman and Nicobar Islands Co-operative Societies Regulation 1973 (No. 3 of 1973), the Chief Commissioner Andaman and Nicobar Islands, hereby makes the following rules, the same having been previously published as required by sub-section (1) of the said section, namely:-

THE ANDAMAN AND NICOBAR ISLANDS
CO-OPERATIVE SOCIETIES RULES, 1974

CHAPTER I

PRELIMINARY

1. Short Title Extent and Commencement:- (I) These rules may be called the Andaman and Nicobar Islands Co-operative Societies Rules, 1974.

(2) They shall extend to the whole of the Union Territory of the Andaman and Nicobar Islands.

(3) They shall come into force on such date as the Chief Commissioner may be notification in the official Gazette appoint.

***** IA. The Chief Commissioner may be general or special order exempt any Co-operative Society or any class of Co-operative Societies from any of the provision of these Rules or direct that such provision shall apply to such societies or class of societies with such modification as may be specified in the order, if he is satisfied that such exemption or direction is necessary having regard to the matter of the activities of the society or class of societies in the public interest or in the interest of the Co-operative movement.

2. Definition:- In these rules, unless the context otherwise requires:-

(a) "Appendix" means an appendix to these rules:

(b) ****** "Co-operative Year" means the year beginning on the 1st day of April and ending on the 31st day of March".

(c) "Decree" means any order, decision or award referred to in section 63:

(d) "Decree-holder" means any person holding a decree as defined in clause(c):

(e) "Maximum credit limit" means the extent to which a co-operative society may receive deposits and loans from members and non-members:

(f) "Member of a family" includes any one of those given under Explanation to section 5 of the Regulation:

(g) "Model bye-laws" means a set of bye-laws approved and proposed by the Registrar for general adoption by a class of co-operative societies:

(h) "Net profit" means profit after deduction of establishment charges, contingent charges, interest payable on loans and deposits, audit fee and such other sums as may be prescribed:

(i) "Owned capital" means the total paid-up share-capital and reserve fund and other funds created out of profit and undistributed profits means accumulated losses:

(j) "Paid-up share-capital" means such portion of the subscribed share-capital as it actually paid-up:

*** (Rule 1A is inserted in the A&N Islands Co-operative Societies Rules, 1974 (Amendment) vide A&N Administration, Chief Commissioner's Secretariat Notification No.4/81/F.No.1/1(160)/79-Part/Dev.II dated 24.04.1981).**

**** (substituted name against sub-rule (b) of rule 2 vide A&N Administration, Secretariat's notification No. /F.No.30-21/92-Dev.II(Coop) dated 19.08.1993, A&N Islands Co-operative Societies (Amendment) Rules, 1993)**

(k) "Persons appointed to assist the Registrar" include Additional Registrar, Joint Registrars, Deputy Registrars, Assistant Registrars, Chief Auditor, Audit Officers and other persons with such designation as the Chief Commissioner thinks fit:

(l) "Recovery Officer" means the Registrar or a person subordinate to the Registrar who is authorised by the Registrar to exercise the powers under clause(a) of section 63:

(m) "Regulation" means the Andaman and Nicobar Islands Co-operative Societies Regulation, 1973 (No.3 of 1973).

(n) "Reserve fund" means a fund to which at-least one fourth of the net profit of a co-operative society in any year shall be carried to as required by secrion41:

(o) "Sale Officer" means the Registrar or an officer subordinate to the Registrar and who is empowered by him, by general or special order, to exercise powers under clause(b) of section 63:

(p) "Section" means a Section of the Regulation:

(q) "Share-Capital" means the subscribed share-capital:

(r) "Working capital" means the total of owned capital plus the borrowed capital:

(s) Words and expressions defined in the Regulation and used in these rules shall have the meaning respectively assigned to them in the Regulation.

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CHAPTER II

Registration of Co-operative Societies and their bye-laws.

APPLICATION FOR REGISTRATION

3. Forms of Application:- An application for registration of a co-operative society shall be made in the form prescribed in Appendix "A" and shall specify the name and address of one of the applicants to whom the Registrar may address his correspondence under rule 5 or rule 6.

4. ***Documents which shall accompany the application***:- An application for registration shall be accompanied by three copies of the bye-laws which the Co-operative Society proposes to adopt. Such copies of bye-laws shall bear the signature of not less than two of the applicants, duly authorised by the members of the proposed co-operative society.

5. Procedure on receipt of application:- (1) Before passing final order under section 8, the Registrar may call for such further information from the applicants or make such independent enquiries as he may deem necessary.

(2) After the Registrar is satisfied with regard to the matters stated in sub-section (1) of section 8, he may register the co-operative society and its bye-laws. A copy of the registered bye-laws shall be returned by him to the co-operative society.

6. Persons to whom order under section 8(2) to be communicated:- An order passed by the Registrar refusing registration of a co-operative society shall be communicated by registered post or by any other means deemed fit to the applicant referred to in rule 3.

7. Appeal against refusal of application for registration:- Where an application for registration of a co-operative society is refused by the Registrar, an appeal, if made, shall be signed by all the persons who had signed in the application for registration:

Provided that where an application for registration was signed by more than ten persons, the appeal shall be signed by at-least two third of the persons who has signed the application for registration subject to a minimum number of ten such persons.

8. Subject matter of Bye-Laws:- (1) A Co-operative society shall make bye-laws in respect of the following matters:-

(a) name and address of the co-operative society;

(b) area and operation:

(c) the objects of the co-operative society:

(d) the manner in which the funds may be raised and the maximum share capital which any one member may hold and the purpose to which the funds may be made applicable:

(e) the qualification for membership and terms for admission of members:

(f) the nature and the extent of the liability of the members:

(g) withdrawals and expulsion of members, and the payments, if any, to be made to such members:

(h) transfer of shares or interest of the members:

(i) general meetings and procedures and powers of such meetings:

(j) procedures of election to the committee:

(k) appointment, suspension and removal of the officers of the co-operative society and members of the committee:

(l) constitution of the committee and procedure for holding its meetings:

(m) powers and duties of the committee and officers of the co-operative society:

(n) the privileges, rights, duties and liabilities of members:

(o) the consequence of defaults in payments of any sum due by a member:

(p) authorisation of an officers of the co-operative society to sign documents and to institute and defend suits and other legal proceedings on behalf of the society:

(q) the constitution and maintenance of various funds as required to be maintained under the provisions of Regulation, Rules and bye-laws: and

(r) Disposal of profits:

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Provided that if in the opinion of the Registrar the bye-laws of any co-operative society do not contain provisions with regard to the matters specified in clause (i) and (1) or contain insufficient provision with regard to these matters, the provisions prescribed in appendix "B" shall apply to such society as if the said Appendix had been part of the bye-laws registered under section 8:

Provided further that if there is any inconsistency in the bye-laws framed by the society with regard to the aforesaid matters and the provisions contained in appendix "B" the bye-laws of the society shall prevail in so far as they are inconsistent with the provisions contained in appendix "B".

(2) The bye-laws of a co-operative society may further provide for such matter as are incidental to the organisation of the society and the management of its business.

9. Amendment of Bye-Laws:- Subject to the provisions of section 10 and rule 8, a society may from time to time, amend its bye-laws.

10. Resolution for Amendment:- No amendment under rule 9 shall be carried out save in accordance with a resolution passed at a general meeting of the co-operative society of which due notice or the intention to discuss the amendment in the meeting has been given to its members.

Provided that no such resolution shall be valid unless it is passed by a majority of members present at the general meeting at which not less than two third of members for the time being of the co-operative society are present:

Provided further that amendment of bye-laws on the lines of model bye-laws previously approved by the Registrar may be adopted by a majority at an ordinary general meeting.

11. Application to the Registrar for Registration of Amendment:- Three copies of the amendment adopted by a co-operative society under rule 10 signed by two officers of the co-operative society, duly authorised by the general meeting in this behalf, shall be submitted to the Registrar along-with an application for registration, duly signed as aforesaid, together with a copy of the resolution passed in the general meeting to that effect. Such copies of the amendments shall be accompanied by a certificate signed by any one of the above two officers of the co-operative society to the effect that the provisions of the rule 10 have been complied with.

12. Registration of Amendment:- On receipt of an application for registration, together with other documents referred to in rule 11, the Register shall examine the amendment proposed by the co-operative society and if he is satisfied that the amendment is not contrary to the Regulation or the rule and is in the interest of the society and the co-operative movement, he may register the amendment and issue to the co-operative society a copy of the amendment duly certified by him under section 10. Where Registrar is of opinion that the proposed amendment may be accepted subject to any modification, he may indicate to the society such modification after explaining in writing his reasons therefor.

13. Manner of calling upon co-operative society to make Amendment to Bye-laws:- (1) Subject to the provision of this rule, the Registrar may by serving a notice in the form prescribed in appendix 'C' call upon a co-operative society to make such amendment to the Bye laws of the co-operative society as he considers to be necessary or desirable in its interest, within a period not exceeding two months from the date of service of notice. The notice shall state exact amendment which the society should make.

(2) For the purpose of the sub section 6 (i) of section 10 the Registrar shall send a copy of the notice to the credit agency, if any, to which the society is affiliated, with a request to offer its comments on the amendment which such time as may be specified by him. If the credit agency fails to offer comments within the specified time, it may be presumed by the Registrar that the credit agency has an objection to the amendment.

(3) If after considering the comments, if any of the credit agency, the Registrar considers that the amendment, is necessary in the interest of the co-operative society, he shall send a written notice in the form prescribed in Appendix 'D' by registered post or by any other manner deemed fit to the registered address of the co-operative society calling upon it to show cause in writing or through a properly authorised representative to appear before the Registrar on the date specified in the notice as to why the proposed amendment should not be registered within the time specified in the notice in appendix 'C'.

(4) After the expiry of the period specified in the notice in appendix 'C' and after considering the reply, if any, of the co-operative society and the views, if any, of the credit agency on such reply, the Registrar may, after duly considering the objection of the society (if any) to the proposed amendment, register the amendment.

14. Change in the name of society:- (1) The name of a co-operative society maybe changed under section 11 so however that it does not refer to any caste or religious denomination and is not inconsistent with the object of the co-operative society.

(2) Where the name of a Co-operative Society is changed in accordance with section 11 such society shall send the original registration certificate for amendment to the Registrar, who shall return the same to the society, duly amend after following the procedure laid down under section 11(2)

(3) If the original certificate of registration is lost by a co-operative society, the co-operative society shall apply to the Registrar in writing for a duplicate copy of certificate and Registrar, if satisfied after inquiry that the certificate has been so lost shall issue a duplicate certificate against a fee of rupees two.

15. Change of Liability of a Co-operative Society:- (1) Every notice to be given under sub-section (2) of section 12 shall be sent by post under certificate of posting or otherwise to the address of each of its members and creditors as recorded in the books of the society. A copy of such notice shall be exhibited on the notice board or on the outer wall of society's building or at a conspicuous public place and a copy shall also be sent to the Registrar for exhibition on the notice board of his office; and there upon, the notice of resolution to change the form or extent of its liability shall be deemed to have been duly given to all its members and creditors, notwithstanding the fact that such notice had not been sent to their correct address or that it had not been received by them.

(2) For the purpose of determining the claims of a member under clause (b) of the sub-section 12, the value of a share of a member in a co-operative society shall be ascertained as in the following manner, namely:

(a) in the case of a co-operative society with limited liability, the value of a share shall be the actual amount received by the co-operative society in respect of such share; and

(b) in the case of a co-operative society with unlimited liability, the value of the shares shall be the amount arrived at by a valuation based on the financial position of the co-operative society as shown in the last audited balance sheet:

Provided that it shall not exceed the actual amount received by the co-operative society in respect of such shares.

(3) Any member or creditor desiring to exercise his option under sub-section (2) of section 12 shall inform the co-operative society accordingly in writing and when he does not propose to withdraw his entire shares or deposits the member or creditor shall clearly indicate in writing the extent of his withdrawals. The co-operative society shall examine and draw up a scheme for orderly payment of all claims in an equitable manner including shares, the value of which shall be ascertained in accordance with provisions of sub-rule (3). The scheme may also provide for settlement of claims by mutual agreement. Where the Registrar does not approve the scheme on the ground of impracticability or undesirability, resolution passed by the co-operative society for amendment of its bye-laws or the purpose shall be ineffective and the form and extent of liability of co-operative society shall not be changed in accordance with the resolution so passed.

(4) After the Registrar approves the scheme, the co-operative society shall make payments to member and creditors as provided for in clause (b) of sub-section (b) of sub-section (4) of section 12 and make a report to that effect to the Registrar and the Registrar shall thereupon proceed to register the amendment to the bye-laws of the co-operative society.

(5) Subject to the provisions of this rule the provisions of section 10 and rules 10 to 12 shall apply to an amendment of the bye-laws of a society for purpose of changing the form or extent of its liability.

*** Rule 16: Amalgamation, Transfer of Assets and Liabilities or Division of societies:-**

(1) Every Co-operative Society desiring to effect amalgamation, transfer of assets and liabilities or division shall make an application to the Registrar to that effect, giving full details about such amalgamation, transfer, or division, as the case may be.

(2) On receipt of such application, the Registrar may, after examining the details furnished in the application and such other particulars which he may call upon the co-operative society to furnish, give his approval to the amalgamation, transfer or division if he considers such amalgamation, transfer or division as the case may be, to be in the interest of the co-operative society.

(3) After the receipt of the Registrar's approval under sub-rule (2), the co-operative society shall convene special general meeting by giving notice of at-least clear 15 days to all its members and creditors and pass a resolution for amalgamation, transfer of assets and liabilities or division, as the case may be by a majority of two third members present and voting at the meeting. The resolution so passed shall contain the purpose and the full scheme indicating how the proposed amalgamation, transfer or division would be useful to the co-operative society and be given effect to. Where the scheme does not involve transfer of liabilities of the co-operative society to another co-operative society a statement to that effect shall be made in the application to be made under sub-rule (1).

(4) Notice of such resolution, as required by section 13(4), to the members and creditors of the co-operative society shall be in the form prescribed in appendix 'E'. The notice may also be published in a newspaper in circulation in the district in which the society's office is situated and a copy thereof shall be exhibited in the notice board of the society or in outer wall of the building of the co-operative society or in any conspicuous public place and also on the notice board of the Registrar's office.

(5) The Co-operative Society shall meet in full or otherwise satisfy all claims of members and creditors and other interested persons who exercise the option in pursuance of the notice under sub-rule (4).

(6) The co-operative society shall submit a report to the Registrar of the action taken by it and request him to give effect to its decision for amalgamation, transfer or division by registering the amalgamated or the new co-operative society as the case may be, and cancelling the registration of the co-operative societies which have been amalgamated or divided.

(7) On receipt of the report from the Co-operative Society under sub-rule(6), the Registrar shall, after satisfying himself that the procedure has properly been followed, register the amalgamated or divided societies and cancel the registration of the co-operative societies which have been amalgamated or divided"

*** No.165/1/1(135)/75-DII (Vol.II):- Inserted vide Chief Commissioner's Notification NO.164/74/F.No.1/1(135)/73-Dev.II dated 16th October, 1974, published in the Andaman and Nicobar Gazette Extraordinary No. 167 dated 16th October, 1974.**

17. Appeal against refusal to register amendments to bye-laws: Where an application for registration of an amendment to bye-laws of a co-operative society is rejected by the Registrar under sub-section (4) of section 10, the appeal, if any, against such refusal shall be made only after a meeting of the general body has reconsidered the matter and has decided to prefer an appeal. Such appeal shall be signed by an officer of the co-operative society duly authorised in this behalf by a general body meeting".

CHAPTER III
MEMBERS OF CO-OPERATIVE SOCIETIES THEIR RIGHTS AND LIABILITIES

18. Disqualification For Membership:- (1) No person shall be eligible for admission as a member, if he:

(a) has applied to be adjudicated and insolvent or is an un-discharged insolvent; or

(b) has been sentenced for any offence, other than an offence of a political character or an offence not involving moral turpitude and a period of five years has not elapsed from the date of expiry of the sentence.

(2) if a member becomes subject to any disqualification specified sub-rule(1), he shall be deemed to have ceased to be a member from the date when the disqualification was incurred.

19. Prohibition of membership in two co-operative credit or service societies:- (1)No individual being a member of primary co-operative society having one of the objects of creation of funds to be lent to its members shall be a member of any other such co-operative society without the general or special permission of the Registrar, and where an individual has become a member of two such co-operative societies, either or both of the co-operative societies shall be bound to remove him from membership upon a written requisition from the Registrar to that effect.

(2)No individual who is an officer of a co-operative society shall without the general or a special permission of the Registrar be a member of any other co-operative society whose objects are similar to the objects of the society of which he is an officer and where such an individual has become a member of another society with similar objects, either or both of the co-operative societies shall be bound to remove him from membership upon written requisition from the Registrar to that effect. If any question arises as to whether or not two co-operative societies have similar objects, the decision of the Registrar on the point shall be final.

20. Admission of member before general meeting of a society:- No co-operative society shall admit members within fourteen days prior to an annual general meeting.

21. Members not to exercise vote till due payment made:- No member of a co-operative society shall participate in the general meeting of the co-operative society or vote in the election to the committee, unless he has made all such payments to the co-operative society as are due from him.

22. Disposal of application for admission of member:- A co-operative society other than a producers co-operative society shall dispose of an application received for admission as a member as early as possible and in no case later than the expiration of a period of one month from the date of receipt of the application by the co-operative society. In case of refusal to admit, such co-operative society shall communicate its decision together with reasons thereof, to the applicant.

23. Withdrawals From Membership:- (1) In a co-operative society with unlimited liability, a member who is not indebted to the co-operative society and is not a surety for an unpaid debt may withdraw from the co-operative society after giving such notice to the secretary of the co-operative society as may be laid down in the bye-laws of the co-operative society.

(2) In a co-operative society with unlimited liability a member, who withdraws or otherwise removed or expelled from the co-operative society shall be entitled to repayment, without interest, any money paid by him or his predecessor-in-interest towards the purchase of shares after such period as may be laid down in the bye-laws of the co-operative society.

(3) No member of a co-operative society with limited liability shall ordinarily be permitted to seek withdrawals or refund of his shares.

Provided that where the society has created a share transfer fund out of its earned profits its managing committee may, keeping in view the over-all interest of the co-operative society, allow withdrawals of shares.

Provided further that such withdrawal of shares at any time shall not exceed five percent of the aggregate paid up share capital of the co-operative society, excluding Government contribution as it stood on the thirtieth June of the preceding year.

(4) Irrespective of nature of liabilities of a co-operative society the share capital subscribed by the Government or by a central or apex co-operative financing institution will be retired in such manner and during such period as may be determined by the Registrar from time to time.

24. Nomination of heir:- (1) Every member of a co-operative society shall nominate a person or persons to whom his share or interest referred to in section 21 or such sums out of share or interest as may be specified by the member, shall, on the death of the member be transferred or paid as laid down in the bye-laws.

(2) Such nomination may, from time to time, be revoked or modified by the member.

(3) The number of persons who may be nominated by a member shall not exceed the number of shares held by him.

(4) When a member of a co-operative society nominates more than one person, he shall, as far as practicable, specify the amount to be paid or transferred to each nominee in terms of whole share and the interest accruing thereon.

(5) The record of nomination shall be kept by a co-operative society in such manner as may be laid down in the bye-laws.

(6) The value of the share or interest transferred or paid to a nominee or nominees shall be determined on the basis of the sum paid by the member to acquire such share or interest, unless the bye-laws of the co-operative society provide for calculation on different basis.

25. Maintenance of Register of Members:- Every co-operative society shall maintain a register of member showing:

(a) the name, address and occupation of each member and a statement of shares held by him.

(b) the date on which the member's name was entered in the register:

(c) the date on which any person ceased to be a member; and

(d) the nominee appointed by a member.

CHAPTER IV
GENERAL MEETING

26. Powers of General Meeting:- Without prejudice to the provisions of section 24, the general meeting of a co-operative society, alone shall have the power to transact the following business:-

(a) Fixing the maximum credit limit of the co-operative society, subject to the approval of the Registrar; and

(b) Expulsion of members.

27. Election of Committee:- The members of the committee of a co-operative society shall be elected in accordance with the rules given in appendix 'F'.

28. Proportion of individuals and co-operative Societies for Constituting Committee:- in a co-operative society, the membership of which is not exclusively confined to individuals, the representative of the individuals and co-operative societies on the committee and the general body shall be such as may be laid down in the bye-laws of the co-operative society.

29. Disqualification for Membership of Committee:- No person shall be eligible for election as a member of the committee if:

(a) he is in default in any co-operative society in respect of any sum due from him to the co-operative society or owes to any co-operative society an amount exceeding maximum credit limit;

(b) he has directly, or indirectly any interest in any contract to which the co-operative society is a party except in transactions made with the co-operative society as a member in accordance with the objects of the co-operative society as stated in the bye-laws;

(c) he has at any time during a period of one year prior to the date of scrutiny of nomination papers engaged in any private business, trade or profession of any description which is carried on by the co-operative society.

(d) he has committed any offence involving dishonesty or moral turpitude during a period of five years immediately preceding to the date of scrutiny of nomination papers;

(e) he is subject to any of the disqualifications contained in rule 30;

(f) he has during a period of twelve months immediately preceding the date of filing nomination papers remained inactive as member or has been carrying on, through agencies other than a co-operative society of which he is a member, same business as is being carried on by the co-operative society.

(g) he incurs any other disqualification laid down in the bye-laws of the co-operative society.

30. Cessation of Membership of Committee:- A member of the committee shall cease to hold his office as such if he:

(a) continues to be in default in respect of any sum due from him to the co-operative society for such period as may be laid down in the bye-laws:

(b) Ceases to be a member of the society;

(c) is declared insolvent;

(d) becomes of unsound mind;

(e) is convicted of an offence involving dishonesty or moral turpitude; and

(f) becomes subject to any of disqualification which would have prevented him from seeking election, had he incurred that disqualification before election.

31. Division of area of Co-operative Society into zones:- The Registrar may in cases as he thinks fit, divide the area of operation of a co-operative society into zones not exceeding in number than the number of members to be elected for the committee.

***32. Qualifications and conditions of service of employees**:- *(1) The qualification and conditions of service subject to which any persons may be employed by a co-operative society or a class of co-operative societies shall be such as may be determined by the Lieutenant Governor (Administrator), A&N Islands.

*(2) Where the Lieutenant Governor (Administrator) is of the opinion that it is necessary or expedient so to do, he may by order for reasons to be recorded in writing, relax the provisions of this rule with respect to any co-operative society or class of co-operative societies to such extent as he may consider proper.

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CHAPTER V
WORKING OF CO-OPERATIVE SOCIETIES

33. *Manner of certifying copies of entries in books*: - For the purpose of section 36, a copy of an entry in the books of a co-operative society shall be certified by a certificate written at the foot of such copy declaring that it is true copy of such entry and that the book containing the entry is still in the custody of the co-operative society:

Provided that such certificate shall be dated and signed by an officer of the co-operative society.

34. *Loans and Subsidies by Government*: - Loans and subsidies to a co-operative society or class of co-operative societies may be granted by Government on such terms and conditions as may be laid down by the Government by general or special order from time to time.

*** (The Andaman and Nicobar Islands Co-operative Societies Rules, 1974 (hereinafter called principal rules) the existing provisions against sub rule (1) sub-rule (1) & (2) of rule 32 substituted vide A&N Administration, Registrar of Co-operative Societies' Notification No. 267/F.No.RCS/26-5/2009 dated 21.02.2011, A&N Islands Co-operative Societies (Amendment) Rules, 2010**)

35. *Manner of making Application for Loan or Subsidy*: - An application by a co-operative society for a loan or subsidy or both from a Government department or a Government sponsored agency shall be made through the Registrar. While forwarding the application the Registrar shall record his opinion regarding the eligibility of the co-operative society for the said loan or subsidy or both, its financial position and the desirability of sanctioning to the co-operative society, the said loan or subsidy or both.

36. Submission of information and returns by Co-operative societies having State participation:- A co-operative society receiving Government loan or subsidy or a co-operative society in which a share or shares have been subscribed or liability by way of guarantee or borrowing not less than fifty percent of the working capital of the co-operative society has been undertaken by the government shall furnish such information and submit such returns as the sanctioning authority or the Registrar may, from time to time, require.

37. Reserve Fund: - (1) the Reserve fund of a Co-operative society or class of co-operative societies may with the specific approval of the Registrar in writing, be utilised in the business of the co-operative society.

(2) Reserve Fund shall be indivisible and no member shall be entitled to claim specified share in it.

Provided that in exceptional circumstances and with the prior approval of the Registrar the reserve fund may be utilized in meeting losses.

(3) No co-operative society whose reserve fund has been invested or deposited in the manner prescribed in section 44, shall draw upon pledge or otherwise employee such fund except with the sanction of the Registrar previously obtained in writing.

38. Payment of Dividend or Bonus: - (1) in no co-operative society the dividend shall exceed ten percent per annum on paid up share capital.

(2) In a co-operative society with an unlimited liability, on dividend or bonus shall be paid, until a period of five years has elapsed from the date of registration.

(3) No dividend shall be paid by the co-operative society while any claim due from the co-operative society to a depositor or lender remains unsatisfied.

(4) The Registrar may by general or special order direct that a co-operative society shall not pay dividend or shall pay dividend at reduced rate so long as it receives loans and deposits from non members.

39. *Net Profit*: - The net profit of a co-operative society shall be the profit remaining after allowing for the following charges in addition to those specified in clause (h) of rule 2, namely:

(a) all other usual working charges such as repairs, rent, taxes, depreciation and irrecoverable amounts written off;

(b) capital expenditure written off, either wholly or in part;

(c) capital loss actually incurred and not adjusted against any fund created out of profits;

(d) provisions for estimated bad debts, doubtful debts if any;

(e) expenses incurred in connection with the meetings and elections; and

(f) any other revenue expenditure.

40. Creation of Co-operative Education Fund: - Every co-operative society shall contribute three percent, out of its net profit of the year to the co-operative education fund to be administered by State Co-operative Union. The contributions payable by a co-operative society shall be a charge on funds of co-operative society and shall be recoverable in the manner as provided for in section 67. The State Co-operative Union shall prepare regulations with the approval of the Registrar for the utilization and administration of the fund.

41. Investment of Fund: - (1) Besides the manner provided in section 41, a co-operative society may invest or deposit its funds or a portion thereof:

(a) in any bonds, certificates or loans issued by the Government;

(b) in debentures floated by a co-operative society; and

(c) with the previous sanction of the Registrar in the purchase of lease of land or building or in the acquisition, construction or in renewal of any building that may be necessary to conduct its business.

(2) The amount of the funds invested under clause (c) of the sub-rule (1) shall be recouped in such terms as may be determined in each case by the Registrar.

(3) The provisions of clause (c) of sub rule (1) shall not apply:

(a) to immovable property purchased

(i) by a co-operative society at a sale held in execution of a decree obtained by it or the recovery of any sum due to it; or

(ii) by a financing bank at sale held in execution of a decree obtained by a co-operative society financed by it for the recovery of any sum due to such society or at sale brought about by the liquidator of such co-operative society ; or

(b) to the purchase or lease for lands or purchase, construction or renewal of buildings by a co-operative society whose object according to its bye-laws includes such purchase, lease, construction or renewal.

42. Writing off of Bad Debts and Losses: - (1) All loans including interest thereon and recovery charges in respect thereof which are found irrecoverable and are certified as bad debts by the auditor under section 48, shall first be written off against the bad debts fund if any and the balance, if any, may be written off against the reserve fund and the share capital of the co-operative society.

(2) All other dues and accumulated losses or any other loss sustained by the co-operative society which cannot be recovered and has been certified as irrecoverable by the auditor may be written off against the reserve fund and the share capital of the co-operative society

Provided that-

(1) No bad debts or losses shall be written off without the sanction of the general body;

(2) before any such bad debts or losses is so written off, the co-operative society, if it is affiliated to Central or Apex bank shall first obtain approval of that bank in writing and also the approval of the Registrar. If the co-operative society is affiliated but not indebted to the central or apex bank and in all other cases it shall obtain the approval of the Registrar in writing. If the co-operative society is an apex bank, approval of the Registrar shall first be obtained:

Provided that in case of co-operative societies classified as 'A' or 'B' at the time of last audit, no such permission need be taken, if the bad debts are to be written off against the bad debt fund especially created for the purpose.

Provided further, that the Registrar may, while giving his approval, impose such conditions as to the recoupment of the bad debt fund and restoration of part or whole of the amount written off against the reserve fund, out of future profits as he deem fit.

43. *Maximum Credit Limit of Members*: - The bye-laws of a co-operative society shall lay down limit beyond which a co-operative society may not advance loans to individual members without the Registrar's prior consent.

44. *Nature and Extent of Security of Loans*: - The Registrar may from time to time, issue such directives as her considers necessary for regulating the extent of security which a co-operative society or class of co-operative societies may demand in respect of loans advanced by it.

* 44.(a) Form of agreement under Sub-section(1) of Section 39 – An agreement under sub-section (1) of section 39 shall be executed in Form given in Appendix 'K'.

*** (Rule 44(a) inserted in the A&N Islands Co-operative Rules, 1974(Amendment)vide A&N Administration, Secretariat's Notification No.103/F.No.1/1(135) /75.Dev.II (Vol.II) dated 20th May,1977).**

45. Restriction on Grants of Loans by a Co-operative Society against its Own Shares: - No Co-operative society shall grant loans or make advances against the security of its own shares.

46. Declaration under section 32:- (1) A declaration under clause (i) or (ii) of section 32 shall be made in the Form given in Appendix 'G'.

(2) A register of such declaration to be kept by the co-operative society shall be in the Form given in Appendix 'H'.

47. Restriction on borrowing by Co-operative societies:- (1) Subject to provisions of sub-rule (2), a co-operative society shall not receive deposits and loans whether from members or non members which exceed the limit fixed from time to time in a general meeting, subject to the Registrar, who may, at any time reduce it.

(2) A Co-operative society which accepts deposits and loans from members only and has no liability to any persons other than the members, may receive such deposits and loans in excess of the limits referred to in sub-rule (1), if the exceed amount is deposited in a co-operative bank to which it is affiliated or is invested in Government securities in section 20 of the Indian Trust Act 1882;

Provided that the amount so deposited or invested or any part thereof is not withdrawn or otherwise utilized except for the payment of the deposit accepted in excess of the aforesaid limit;

48. Maintenance of Resources: - Every co-operative society accepting deposits and granting cash credits shall maintain fluid resources in such form and according to such standards as may be fixed by the Registrar from time to time by general or special order.

49. Directives by Registrar for Successful Conduct of the Business:- The Registrar may, from time to time issue such directive as he considers necessary for the successful conduct of the business of a society or class of co-operative society.

50. Restriction on Appointment of Relative to an Office: - Save in a producer's co-operative society, no relative of any member of committee or of any other officer of co-operative society shall be appointed to any office in the co-operative society, except with previous sanction of the Registrar.

CHAPTER VI

AUDIT, INSPECTION, INQUIRY AND SURCHARGES

51. *Audit*: - (1) The audit under section 48 shall in all cases extend back to the last date of previous audit and shall be carried out up to the last date of the co-operative year immediately preceding the audit or where the Registrar so directs

in the case of any particular co-operative society or class of co-operative societies, such other date as may be specified by Registrar.

(2) Unless the Registrar directs otherwise, the audit of a co-operative society as provided in section 48 of the Regulation, shall be conducted in the registered office of the co-operative society.

(3) The officers and the employees of co-operative society shall give the auditor all assistance necessary for the conduct and completion of audit and take such action with regard to the verification or examination of its accounts and stock as he may require.

(4) The Registrar shall, in cases where the audit is done by him, prepare, and in case where the audit so done by a person authorised by him under subsection (1) of section 48, obtain from such person, an audit report in the form specified by the Registrar on the account and on every balance sheet and profit and loss account examined by him and shall state whether in his opinion and to the best of his information as given to him, the said accounts give all the information required by the Regulation and give a true and fair view:

(i) in the case of the balance sheet, of the state of the affairs of the co-operative society as at the end of the co-operative year or any other subsequent date to which the accounts are made up and examined by him; and

(ii) in the case of profit and loss account, the profit or loss of the co-operative year, or the period covered by audit, as the case may be.

(5) The audit, report shall include statement under the appropriate parts with full particulars of:

(a) all transactions which appear to be contrary to the provisions of the regulations, rules or the bye-laws of the co-operative society;

(b) all sums which ought to have been but not have been brought into account by the co-operative society;

(c) the amount of any deficiency or loss which appears to have been incurred by breach of trust, wilful negligence, misappropriation or fraudulent retention of any money or property of any person;

(d) any transaction which appears to him to require further investigation;

(e) any of the assets which appear to be bad or doubtful; and

(f) any other matters specified by the Registrar in this behalf.

(6) The person who does the audit shall also state:

(a) Whether he had obtained relevant records/information which to the best of his knowledge and belief were necessary for the purpose of his audit;

(b) Whether in his opinion proper books of accounts, as required by the Regulation, rules and the bye-laws of the co-operative society have been kept and regularly maintained by the co-operative society so far as it appears from his examination of such records; and

(c) Whether the balance sheet and final accounts examined by him are in agreement with books of accounts and returns of the co-operative society.

(7) Where any of the matters referred to in sub rule(6) are answered in the negative or with a qualification, the person who does the audit shall specify in his audit report the reasons for such facts and figures in support of such reasons.

(8) The auditor shall examine the monetary transactions of a society in so far as may be necessary for the purpose of ascertaining whether there has been any material impropriety or irregularity in the expenditure or in the realisation of moneys due to the co-operative society and whether any transaction infringe any provisions of the Regulation, Rules or bye-laws or any directions of the committee. In case of difference of opinion between the auditor and the co-operative society in regard to the propriety of any of its monetary transactions; the Registrar shall decide the matter and his decision shall be final.

(9) The Registrar shall issue direction regarding treatment of certain assets as bad and doubtful. Before proceeding to take action to write off any assets considered bad all possible steps be taken by the committee to realise the same. Any assets considered bad and irrecoverable may be written off by the general body meeting; provided, any approval of the financing agency if any and the Registrar is obtained before the writing off is made.

(10) After every audit, the Registrar shall grand to the concerned co-operative society an audit certificate and copy of the audit report duly signed by him after exercising the test audit wherever necessary. The Registrar may modify or expunge any portion of the audit report which appear to him objectionable or not justified by fact.

(11) The Co-operative society shall publish-

(i) the audit certificate granted by Registrar under sub rule (10),

(ii) the statements showing the receipts and disbursements, profit and loss accounts and the balance sheet in the manner specified by the Registrar and shall keep them open for inspection by any member of the co-operative society. The summary of defects as revealed by audit report shall also be read out in the general body meeting of the co-operative society. A rectification of the report based on the deliberations of the meeting on the defect pointed out in the audit report shall be forwarded to the Registrar within three month of the receipt of the report by the co-operative society. The Registrar may direct the co-operative society or its officers to take such action, and within such time, as may be specified by him, to remedy the defects disclosed in the audit.

Explanation: - (i) For the purpose of this chapter, audit shall include annual or periodical audit, continuous or concurrent audit and test or super audit and re-audit.

(ii) For the purpose of this rule: A person authorised" means

*(a) A person who is serving in the Co-operative Department of this Union Territory and authorized to audit the accounts of the Co-operative Societies.

*(b) A person who holds a Higher Diploma in Co-operation or Diploma in Co-operative Audit or Co-operative Management or Degree in Cooperation or Degree in Commerce and whose name is included in the panel of certified auditors of Co-operation Societies maintained in the office of the Registrar of Co-operative Societies.

*** In the said rules the following provisions shall be inserted as item(C) after item (b) under explanation (ii) of rule 51 :-

"(C) an 'Accountant' means a Chartered Accountant whose name is included in the panel of certified Auditors of Co-operative Societies maintained in the Registrar's Office"

**** (12) Every registered Co-operative Society shall pay to the Government for the audit of accounts conducted by the Co-operative Department for each Co-operative year in accordance with the scale prescribed in respect of class of society as under:-

i). The audit fee to be levied on a Co-operative Society shall not exceed Rs.25,000/- that the minimum fee payable by the society shall be Rs.250/- in a Co-operative year.

ii). The scale of audit fees payable by the societies are as follows:-

a). The Co-operative Societies dealing in consumer goods shall pay audit fee at the rate of Rs.0.25 paise per every hundred rupees or part thereof on their sale in a co-operative year.

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* (**Item (a) under explanation (ii) of rule 51 substituted vide A&N Administration, Secretariat's vide Notification No. F.No.30-51/94/Dev.I(Coop) dated 21.08.1997, A&N Islands Co-operative Societies (Amendment) Rules 1974**)

** **(the explanation (ii) (b) substituted in sub-rule 11 of rule 51 of the principal rule 1974, vide Registrar of Co-operative Societies' Notification No.267/F.No.RCS/26-5/2009 dated 21.02.2011, A&N Islands Co-operative Societies (Amendment) Rules, 2010)**

(**Item (C) inserted under explanation (ii) in sub-rule 11 of rule 51 vide A&N Administration, Secretariat's Notification No. F.No.30-51/94/Dev.I(Coop) dated 21.08.1997, A&N Islands Co-operative Societies (Amendment) Rules 1974**)

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b). The audit fees to be levied in respect of Agricultural credit Co-operative Societies shall be at the rate of Rs.0.10 paise per every Rs.100/- or part thereof the working capital of the Institution.

c). The audit fees to be levied in respect of Thrift and Credit Co-operative societies, Credit Co-operative and Co-operative Banks shall be paid at the rate of Rs.0.25 paise per every Rs.100/- or part thereof of the working capital of the institution.

d). The scale of audit fees leviable from Transport Printing, Industrial Co-operative Societies shall be at the rate of Rs.0.25 paise per every Rs.100/- or part thereof the turnover of these societies in a Co-operative year.

e). The scale of audit fees leviable from Labour Contract, Fisheries, Milk, Poultries Farming and other Agricultural Produces and Marketing Co-operative Societies, Co-operative Societies for tribal and weaker sections of the Society shall be at the rate of Rs.0.10 paise per every Rs.100/- or part thereof of the turnover of these societies in a co-operative year.

f). In respect of Housing Co-operative Societies the audit fees chargeable at the rate of Rs.25/- per member upon the total member of these societies in each co-operative year.

g). All other Co-operative Societies shall be required to pay audit fee at the rate of 3% of the net profit earned by the societies in each co-operative year.

iii). Provided further that the scale of audit fees prescribed above shall not be apart to those Co-operative Societies which are being classified as 'D' Class by the Auditor and those Co-operative Societies which are being put under liquidation. These types of Co-operative Societies are being exempted from payment of audit fee.

iv). In respect of Co-operative Societies, authorisation of audit of which is given to Chartered Accountants the rate of audit fee shall be negotiated by the concerned Chartered Accountant with management of the concerned Co-operative Society, subject to final approval of Registrar of Co-operative Societies in this regard.

v). The audit fee payable by the Co-operative Societies whose audit is conducted by the departmental officers so authorised shall be deposited in the office of the Registrar of Co-operative Societies Andaman and Nicobar Islands and the receipt against it should be obtained under TR.

***** (13). The Registrar may at his discretion remit in whole or in part the audit fees payable under clause (ii) of sub-rule (12) by the Society or a class of societies for any year or for any specific period.

(**Rule 12 and *****Rule 13 inserted after sub-rule (11) of Rule 51 vide A&N Administration, Secretariat's Notification No. F.No.30-51/94-Dev.I(Coop) dated 19.03.1999, A&N Islands Co-operative Societies (Amendment) Rules, 1999).**

52. *Procedure and Principles for conduct of Inspection and Inquiry*: - (1) An order authorising inspection under section 49 or section 51 or any inquiry under section 50 shall, among other things, contain the following:

(a) name of the person authorised to conduct the inspection or inquiry;

(b) the name of the co-operative society whose affair are to be inspected or inquired into;

(c) the specific point or points on which inspection or inquiry is to be made, the period within which the inspection or inquiry is to be completed and report submitted to the Registrar;

(d) cost of inquiry; and

(e) any other matter relating to the inspection or inquiry as may be considered relevant by the Registrar.

(2) A copy of every order authorising an inspection under section 49 or section 51 or an inquiry under section 50, shall be supplied to the federal co-operative society or societies to which the co-operative society in respect of which the order is issued, is affiliated.

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(3) If the inspection or inquiry cannot be completed within the time specified in the order referred to in sub-rule (1), the person conducting the inspection or inquiry shall submit an interim report stating the reasons for failure to complete the inspection or inquiry in time and the Registrar, if he is satisfied with such reasons may grant such extension of time for the completion of the inspection or inquiry as he may deem necessary or he may withdraw the inspection or inquiry from the person to whom it is entrusted and hold the inspection or inquiry himself or entrust it to such other person as deems fit.

(4) On receipt of the order referred to in sub-rule (1), the person authorised to conduct the inspection or inquiry shall proceed to examine the relevant books of accounts and other documents in possession of the co-operative society or any of its officers, members, agents or servants and obtain such information or explanation from any such officer, member, agent or servant of the co-operative society in regard to the transactions and working of the co-operative society as he may deem necessary for the conduct of such inspection or inquiry.

(5) The person authorised to conduct inspection or inquiry shall submit his report to the Registrar on all points mentioned in the order referred to in sub rule (1). The report shall contain his findings and the reasons therefore duly supported by such documentary or other evidence as recorded by him during the course of his inspection or inquiry. He may also specify in his report the costs of inspection or inquiry together with reasons and recommend to the Registrar the manner in which the entire cost of part thereof may be apportioned amongst the parties. The Registrar shall pass such orders thereon as may be considered just after giving a reasonable opportunity of being heard to the person or persons concerned.

(6) The cost of the inspection or inquiry apportioned by the Registrar under section 52 shall be recovered as provided for in section 53. The Registrar may direct that such costs or any part thereof shall be paid in the first instance from the funds of the co-operative society or in case of inspection, from the amount deposited by the creditor under clause (b) of sub section (1) of section 51 and then recovered and repaid to the co-operative society or the creditor, as the case may be.

53. Requisition of the federal co-operative society for inquiry: - Any federal co-operative society duly authorised by a resolution of its committee may submit a requisition to the Registrar to hold an inquiry under section 50 in respect of any co-operative society affiliated to it, duly setting out the grounds on which the inquiry is sought. A copy of such requisition shall be supplied to the society in respect of which the requisition is made.

54. Levy of audit fees and supervision charges: - (1) Every co-operative society which is subject to levy of audit fee as prescribed shall remit such fees in the mode specified by the Registrar within three months from the date of issue of demand notice in this behalf.

(2) The Registrar may levy supervision charges payable annually, on or before specified date, on all or any class of co-operative societies including the co-operative societies under liquidation at such rate as may be fixed by him with the approval of Chief Commissioner.

(3) Such charges, or fees if not paid by the specified date, shall be recovered as provided for in section 67.

(4) The Chief Commissioner may authorise the Registrar to grant total or partial exemption from the payment of audit fee and / or supervision charges assessed to any co-operative society or class of co-operative societies.

CHAPTER VII
SETTLEMENT OF DISPUTES

55. *Reference of Disputes*: - When a party to any dispute referred to in sub-section (1) of section 55 desires to have such dispute determined in accordance with the said section, the party shall apply to the Registrar in writing, stating the substance of dispute and the name and address of the other party, in such form as the Registrar may lay down from time to time.

56. ***Arbitration Fee***: - (1) The Registrar shall have power to require the person referring a dispute under sub section (1) of section 55 to deposit in advance the fee, if any, to be specified by the Registrar for deciding the dispute.

(2) The Registrar may, in such cases as he thinks fit, order the payment of fee to the arbitrator. It the Arbitrator happens to be an employee of the co-operative department, no fee shall be paid to him and the entire amount recovered towards his fee shall be treated as Government revenue and credited to the Government Account.

(3) No fee shall be payable to an arbitrator till the dispute referred to him is finally decided.

(4) The Registrar, may, in his discretion, remit the whole or any part of the fees under sub-rule (1)

57. Communication of date, time and place of hearing: - In an arbitration proceeding, the Registrar or the arbitrator, as the case may be, shall communicate the date, time and place of hearing of the dispute to all the parties concerned.

58. Power to appoint Guardian for minor etc:- The Registrar or the arbitrator, as the case may be, shall have power to appoint or remove a guardian for the party to the dispute who is a minor or who by reasons of unsound mind or mental infirmity, is incapable of protecting his interest.

59. Hearing of Disputes: - The Registrar or the arbitrator, as the case may be, shall hear the parties and witnesses who attend. On the basis of such evidence and after consideration of any documentary evidence that may be produced by either party, he shall give a decision or award, as the case may be in accordance with justice, equity and good conscience. The decision or award shall be reduced to writing, announced to the parties and filed with the office of the Registrar. In the absence of any party duly summoned to attend the dispute may be decided exparte.

60. Cost of Arbitration: - The arbitrator or the Registrar, as the case may be, shall have the power to order the expenses of determining a dispute or the cost of either party to be borne by such party or parties to the dispute as he may deem fit. The amount of advance, if any, deposited by the party concerned with the arbitrator under rule 56 (1) shall, however, be adjusted against the cost so determined and the balance amount will be payable by the party concerned.

61. Maintenance of record of Arbitration: - (1) The record of arbitration proceedings shall be kept in such place and in such manner as the Registrar may direct.

(2) A copy of decision or award shall, on application, be given to a party interested in the dispute by the Registrar on payment of such fees as are laid down in rule 82 of these rules.

CHAPTER VIII

WINDING-UP AND CANCELLATION

62. Procedure to be followed by Liquidators: - (1) A liquidator appointed under section 58 shall as soon as order of winding-up of a co-operative society takes effect publish by such means as he may think proper, a notice requiring all claims against the co-operative society, the winding up of which has been ordered, to be submitted to him within one month of the publication of the notice. All liabilities recorded in account book of a co-operative society shall be deemed *ipso facto* to have been duly submitted to him under this sub-rule.

(2) The liquidator shall, after setting the assets and liabilities of the co-operative society as they stood on the date on which the order for winding up is made, proceed next to determine the contribution to be made by each of its members, past members or by the estates or nominees, heirs or legal representatives of deceased members or by any officers or former officer to the assets of the co-operative society under clauses (b) & (e) of sub section (2) of section 59. Should necessity arise, he may, make a subsidiary order regarding such contributions and such order shall be enforceable in the same manner as the original order.

(3) The liquidator may at any time, call a meeting of the members or the creditors or a joint meeting of the members and creditors and such meeting shall be called, held and conducted at such time and place and in such manner as the liquidator may deem fit.

63. Approval by Registrar of orders of Liquidator: - An order passed by the liquidator under clause (b) of sub section (2) section 59 shall be submitted by him to the Registrar for approval. The Registrar may modify such order or refer it back to the liquidator for further inquiry or action.

64. Submission of Quarterly Report by Liquidator:- The liquidator shall submit to the Registrar a quarterly report in such form as the Registrar may specify showing the progress made in the liquidation of the co-operative society.

65. Deposit of Funds by Liquidator: - All funds in charge of the liquidator shall be deposited with such institutions or person as the Registrar may approve.

66. Expenses incurred by Liquidator: - All expenses incurred in connection with the winding up of the co-operative society shall be subject to the approval of the Registrar.

67. Distribution of Assets: - The liquidator shall distribute the realised assets in such manner and in such priority as the Registrar may direct.

68. Remuneration of Liquidator: - The remuneration fixed under section 58 (i) shall be included in cost of liquidation which shall be payable out of the assets of the co-operative society under liquidation in priority to all other claims.

69. Disposal of surplus Assets: - After discharging the liabilities of the co-operative society and repayment of share capital, the liquidator may, utilize the surplus assets, if any, for one or more of the following purposes namely:

(a) Deposit the amount in a co-operative bank until a new co-operative society with similar area of operation and objects are registered when it shall be credited to the reserve fund of the new co-operative society.

(b) any purpose connected with development of co-operative movement, subject to the approval of Registrar;

(c) an object of public utility selected with due regard to the wishes of the members and approved by the Registrar.

70. Liability due to claimants whose whereabouts not known:- If any liability cannot be discharged by the liquidator owing to the whereabouts of the claimants being not known or for any other cause, the amount covered by undischarged liability may be deposited in the co-operative bank, having jurisdiction over the area in which the co-operative society was functioning and shall remain at the disposal of the claimant for a period of three years after which the undrawn amount, if any, may be transferred to the State Co-operative Union for credit to the co-operative education fund.

71. Removal of Liquidators: - A Liquidator may at any time be removed by the Registrar and he shall on such removal hand over all the properties and documents relating to the co-operative society under liquidation to such persons as the Registrar may direct.

72. Maintenance of Accounts by Liquidators: - The liquidator shall keep such books and accounts as may be laid down by the Registrar from time to time. The Registrar may at any time cause such books and accounts to be audited.

73. Final Report by Liquidator: - The liquidator shall after meeting the liabilities of the co-operative society submit a final report to the Registrar in such form as may, from time to time, be specified by the Registrar.

74. Disposal of Records: - All the books and records of a co-operative society whose registration has been cancelled may be destroyed under the orders of the Registrar, after the expiry of a period of three years from the date of such cancellation.

CHAPTER IX

EXECUTION OF AWARDS, DECREES, ORDERS AND DECISIONS

75. Manner of service of notice:- A notice under the provision to section 62 shall indicate the substance of the demand or debt due to the co-operative society and shall be served in the manner laid down for the service of summons in sub-rule (3) of rule 78. No order under section 62 shall be made until a period of thirty days has expired from the date of service of the notice.

76. Procedure in execution of awards etc.- (1) Any decree holder requiring the provisions of clause (b) of section 63 to be applied shall apply to the Recovery Officer within whose jurisdiction the defaulter resides of the property of defaulter is situated.

(2) Every such application shall be made in the form specified by the Registrar and shall be signed by the decree holder. The decree holder may indicate whether he wishes to proceed against any immovable property mortgaged to the decree holder or other immovable property or secure the attachment of movable property.

(3) On receipt of such application, the Recovery Officer shall verify the correctness and genuineness of the particulars set-forth in the application with the records, if any, in the office of the Registrar and prepare a certificate in writing in duplicate in the form specified by the Registrar, setting-forth the name and address of the defaulter and the amount due and forward the same to a sale officer.

(4) Unless the decree holder has expressed a desire that proceedings could be in a particular order as laid down in sub-rule (2) the execution shall ordinarily take place in the following manner:

(i) movable property of the defaulter shall be first proceeded against but this shall not preclude the immovable property being proceeded against simultaneously, in case of necessity:

(ii) if there is no movable property, or if the sale proceeds of the movable property or properties attached and sold are insufficient to meet in full the amount of decree, the immovable property mortgaged to the decree holder or other immovable property belonging to the defaulter may be proceeded against.

(5) In the seizure and sale of immovable property the following procedure shall be observed:-

(a) The Sale Officer shall, after giving previous notice to the decree holder, proceed to the village or locality where the defaulter resides or the property to be distrained is situated and serve a demand notice to the defaulter if he is present. If the amount due together with the expenses is not at once paid, the Sale Officer shall make the distress and shall immediately deliver to the defaulter a list or inventory of the property distrained and intimation of place and day and hour at which the distrained property will be brought to sale if the amount due are not previously discharged. If the defaulter is absent the Sale Officer shall serve the demand notice on some adult member of his family or on his authorised agent or when such service cannot be affected, shall affix a copy of the demand notice on some conspicuous part of the place where he ordinarily resides or carries on business. He shall then proceed to make the distress and shall fix the list of the property attached on some conspicuous part of the place where the defaulter ordinarily resides or carries on business endorsing thereon the place where the property may be lodged or kept and an intimation of the place, day and hour of sale thereof.

(b) After the distress is made, the Sale Officer may arrange for the custody of the property attached with the decree holder or otherwise. If the Sale Officer requires the decree holder to undertake the custody of the property, he shall be bound to do so and any loss incurred owing to his negligence shall be made good by the decree holder. If the attached property is livestock, the decree holder shall be responsible for providing the necessary food for such livestock. The Sale Officer may, at the interest of the defaulter or any person claiming and interested to any such property, live in the village or place where it was attached in the charge of such defaulter or person if he enters into a bond in the form specified by the Registrar with one or more solvent sureties for the production of the property, when called for.

(c) The distress shall be made after sun rise and before sun set and not at any other time.

(d) The distress levied shall not be excessive, that is to say the property distrained shall be as nearly as possible proportionate to the sum due from the defaulter together with interest and all expenses incidental to the distraint, detention and sale.

(e) If crops or un-gathered products of the land belonging to a defaulter are attached, the Sale Officer may cause them to be sold when fit for reaping or gathering or at his discretion may cause them to be reaped or gathered in due seasons or time and stored in proper place until sold. In the later case, the expenses of reaping or gathering and storing of such crops or products shall be defrayed by the owner upon his redeeming the property or from the proceeds of the sale in the event of its being sold.

(f) The Sale Officer shall not work the bullocks or cattle or make use of goods or effects distrained and he shall provide the necessary food for the cattle or live stock, the expenses attending which shall be defrayed by the owner upon his redeeming the property or from the proceeds of the sale in the event of its being sold.

(g) It shall be lawful for the Sale Officer to force open any stable cow house, granary, godown out house or other building and he may also enter in any dwelling house, the outer door of which may be open and may break open the door of any room in such dwelling house for the purpose of attaching any property belonging to a defaulter lodged therein provided always that it shall not be lawful for the officer to break open or enter apartment in such dwelling house for the Zenana or residence of women except as here-in-after provided.

(h) Where the Sale Officer has reason to believe that a property of a defaulter is lodged within a dwelling house, the outer door of which is shut or within any apartments appropriated to women which by custom or usage are considered private, the Sale Officer shall represent the facts to the officer-in-charge of the nearest police station. On such representation, the officer-in-charge of the said station shall send a police officer to the spot in the presence of whom the Sale Officer may force open the outer door of such dwelling house in like manner as he may break open the door of any room within the house except the Zenana. The Sale Officer may also in the presence of a police officer and after giving due notice for the removal of the women within a Zenana and after furnishing the means for their removal in a suitable manner if they be women who according to the custom and usage cannot appear in public, enter the Zenna apartments for the purpose of distraining the defaulter's property, if any, deposited therein but such property, if found shall be immediately removed from such apartment after which they shall be left free to the former occupants.

(i) The Sale Officer shall, on the day previous to and on the day of sale, cause proclamation of the time and place of the intended sale to be made by beat of drum in the village or locality in which the defaulter resides and in such other place or places as the officer may consider necessary to give due publicity to the sale. No sale shall place until after expiration of the period of fifteen days from the date on which the sale notice has been served or affixed in the manner indicated in clause (a) provided that where the property seized is subject to speedy and natural decay or where the expenses of keeping it in custody is likely to exceed its value, the Sale Officer may sell it at any time before the expiry of the said period of fifteen days, unless the amount due is sooner paid.

(j) At the appointed time, the property shall be put up in one or more lots as the Sale Officer may consider advisable and shall be disposed of to the highest bidder.

Provided that it shall be open to the Sale Officer to decline to accept the highest bid where the price offered appear to be unduly low or for other reasons. Where the property is sold for more than the amount due the excess amount, after deducting the interest and expenses of process or/and other charges shall be paid to the defaulter.

Provided further, that the Recovery Officer or the Sale Officer may, in his discretion adjourn the sale to a specified date and hour recording his reasons for such adjournment. Where the sale is so adjourned for a longer period than seven days, a fresh proclamation shall be made unless the defaulter consents to waive it.

(k) The property shall be paid for in cash at the time of or as soon after as the Sale officer shall appoint and the purchaser shall not be permitted to carry away any part of the property until he has made payment thereof in full. Where the purchaser fails in the payment at purchase or bid money, the property shall be resold.

(l) Where it is proved to the satisfaction of any Civil Court of competent jurisdiction that any property which has been distrained under these rules has been forcibly or clandestinely removed by any person the Court may order such property to be restored forthwith to the Sale Officer.

(m) Where prior to the day fixed for sale, the defaulter or any person acting on his behalf or any person claiming any interest in the property attached, pays the full amount due including interest and / or other costs incurred in attaching the property, the Sale Officer shall cancel the order of attachment and release the property forthwith.

(n) The movable property mentioned as exempted from attachment in the provision to sanction 60 of the Code of Civil Procedure, 1908 (5 of 1908) shall not be liable to attachment or sale under these rules.

(6) Where the movable properties to be attached is the salary or allowance or wages of a public officer or of a servant of a local authority or a firm or a company or any other institution, the Recovery Officer may on receiving a report from the Sale Officer, order the employer concerned that the amount shall subject to the provision of section 60 of Code of Civil Procedure, 1908 (5 of 1908) be with-held from such salary or allowance or wages either in one payment or by monthly instalments as the recovery officer may direct and upon the notice of the order, the officers or employer shall with-hold and remit to the Sale Officer the amount due under the order or the monthly instalments, as the case may be.

(7) (i) Where the property to be attached consists of a share or interest of the defaulter in movable property belonging to him and another as co-owner, the attachment shall be made by a notice to the defaulter, prohibiting him from transferring the share or interest or charging it in any way.

(ii) Where the property to be attached is a negotiable instrument not deposited in a court nor in the custody of a public officer, the attachment shall be made by actual seizure and the instrument shall be brought to the officer of the Recovery Officer ordering the attachment and be held subject to his further order.

(iii) Where the property to be attached is in the custody of any court or public officer, the attachment shall be made by a notice to such court or officer requesting that such property or any interest or dividend becoming payable hereon may be held subject to further orders of the Recovery Officer issuing the notice;

Provided that where such property is in the custody of court, any question of title or priority arising between the decree holder and any other person not being the defaulter claiming to be interested in such property by virtue of any assignment, attachment or otherwise shall be determined by such court.

(8) (i) Where the property to be attached is a decree either for the payment of money or for sale in enforcement of a mortgage or charge the attachment shall be made by the order of the Registrar if the decree sought to be attached is under section 56 or by an arbitrator.

(ii) Where the property is to be attached is a decree of the nature referred to in clause (i) the attachment shall be made by the issue of a notice by the Recovery Officer to the holder of such decree, prohibiting him from transferring or charging the same in any way.

(iii) The holder of a decree attached under this sub-rule shall give the Recovery Officer executing the decree such information and aid may reasonably be required.

(iv) On the application of the holder of a decree sought to be executed by the attachment of another decree the Recovery Officer making an order of attachment under this sub-rule shall give notice of sub order to the defaulter bound by the decree attached, and no payment of adjustment of the attached decree made by the defaulter is contravention of such order after receipt of notice thereof, either through the said Recovery Officer or otherwise, shall be recognised so long as attachment remains in force.

(9) Where the movable property to be attached is:

(a) a debt due to the defaulter in question; or

(b) a share in the capital of a corporation or a deposit invested there in; or

(c) other movable property and in the possession of the defaulter, except property deposited in or in the custody, of any civil court, the attachment shall be made by a written order signed by the Recovery Officer prohibiting;

(i) in the case of a debt, the creditor from recovering the debt and the debtor from making payment thereof;

(ii) in the case of a share or deposit, the person in whose name the share or deposit may be standing, from transferring the share or deposit or receiving any dividend or interest thereon; and

(iii) in the case of any other movable property not in the possession of the defaulter, the person in possession of it from giving it over to the defaulter.

A copy of such order shall be sent in the case of debt, to the debtor in the case of share or deposit to the proper officer of the corporation and in the case of the movable property except as aforesaid to the person in possession of such property. As soon as debt referred to in clause (a) or the deposit referred to in clause (b) above mature, the Recovery Officer may direct the person concerned to pay the amount to him. Where the share is not withdrawable, the said Recovery Officer shall arrange for its sale through a broker. Where the share is withdrawable, its value shall be paid to the Recovery Officer or to the party referred to in clause(e) the person concerned shall place it in the hands of the said Recovery Officer as it becomes deliverable to the defaulter.

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(10) The immovable property shall not be sold in execution of a decree; unless such property has been previously attached;

Provided that the decree has been obtained on the basis of a mortgage of such property, it shall not be necessary to attach it.

(11) In the attachment and sale without attachment of immovable property, the following procedure shall be observed:

a) The application presented under sub rule (i) shall contain a description of the immovable property to be proceeded against, sufficient for its identification and in case such property can be identified by boundaries or number and specification of the defaulter's share or interest in such property to the best of the belief of the decree holder and so far as he has been able to ascertain it.

b) The demand notice issued by the Recovery Officer under sub rule (3) shall contain the name of the defaulter, the amount due including the expenses, if any, the time allowed for payment in case of non-payment the particulars of properties to be attached and sold or to be sold without attachment as the case may be. After receiving the demand notice the Sale Officer shall serve or cause to be served a copy of the demand notice upon the defaulter or upon some adult male member of his family at his usual place of residence, or upon his authorised agent or if personal service is not possible shall affix a copy thereof on some conspicuous part of the immovable property about to be attached and sold or sold without attachment as the case may be.

Provided that where the Recovery Officer is satisfied that a defaulter with intent to defeat or delay the execution proceedings against him is about to dispose of the whole or part of his property, the demand notice issued by the Recovery Officer under sub-rule (3) shall not allow any time for the defaulter for payment of the amount due by him and the property of the defaulter shall be attached forthwith.

c) If the defaulter fails to pay the amount specified in the demand notice within the time allowed, the Sale Officer shall proceed to attach and sell or sell without attachment, as the case may be, the immovable property noted in the application for execution in the manner specified below.

d) Where attachment is required for sale, the Sale Officer shall if possible cause a notice of attachment served on the defaulter personally. Where personal service is not possible, the notice shall be affixed in some conspicuous part of the defaulter's last known residence, if any. The fact of attachment shall also be proclaimed by the beat of drum or other customary mode at some place on or adjacent to such property and such other place or places as the Recovery Officer may consider necessary to give due publicity to the sale. The attachment notice shall be set forth that unless the amount due with interest and expenses if any, be paid within the date therein mentioned the property will be brought to sale. A copy thereof shall be sent to the decree holder. Where the Sale Officer so directs, the attachment shall be notified by public proclamation in the Official Gazette.

e) Proclamation of sale shall be published by affixing a notice in the office of the Recovery Officer and Tehsil Office in which the property is situated at least thirty days before the date fixed for the sale and also by beat of drum in the village or locality on two consecutive days previous to the date of sale and on the day of sale prior to the commencement of the sale. Such proclamation shall, where attachment is required before sale, be made after the attachment has been effected. Notice shall also be given to the decree holder and the defaulter. The proclamation shall state the time and place of sale and specify as fully and accurately as possible :-

(i) the property to be sold;

(ii) any in-cumbrance to which the property is liable;

(iii) the amount for the recovery of which sale is ordered; and

(iv) every other matter which the Sale Officer considers material for a purchaser to know in order to judge the nature and the value of the property.

f) When any immovable property is sold under these rules, the sale shall be subject to the prior encumbrances on the property, if any. The decree holder shall, when the amount for the realisation of which the sale is held exceeds rupees one hundred, furnish to the Sale Officer within such time as may be fixed by him or by the Recovery Officer an encumbrance certificate from the Registration Department or Revenue Department for a period of not less than twelve years prior to the date of the attachment of the property sought to be sold, or in case falling under the provision to sub-rule (10), prior to the date of application for execution. The time for the production of encumbrance certificate may be extended at the discretion of the Sale Officer or the Recovery Officer, as the case may be. The sale shall be by public auction to the highest bidder; provided that it shall be open to the Sale Officer to decline to accept the highest bid where price offered appears to be unduly low or for other reasons and provided also that the Recovery Officer or the Sale Officer may, in his discretion, adjourn the sale to a specified day and hour, recording his reason for such adjournment. Where a sale is so adjourned for a longer period than seven days a fresh proclamation under clause (e) shall be made unless the defaulter consents to waive it. The sale shall be held after the expiry of not less than thirty days calculated from the date on which the notice of the proclamation was affixed in the office of the Recovery Officer. The time and place of the sale shall be fixed by the Recovery Officer and the place of sale shall be the village or locality, where the property to be sold is situated or such adjourning prominent place of public resort as may be fixed by the said Recovery Officer;

Provided that in cases where an encumbrance certificate is not obtainable owing to destruction of the connected records, an affidavit from the village Patwari in regard to the encumbrances known to him supported by a certificate from the Registration Department or Revenue Department that the encumbrance certificate cannot be granted owing to the destruction of the connected records, shall be accepted in place of an encumbrance certificate.

g) A sum of money equal to fifteen percent of the price of the immovable property shall be deposited by the purchaser in the hands of the Sale Officer at the time of the purchase, and in default of such deposit the property shall be forthwith resold;

Provided that where the decree holder is the purchaser and is entitled to set off the purchase money under clause (k) the Sale Officer shall dispense with the requirement of this rule;

h) The remainder of the purchase money and the amount required for the general stamp for the sale certificate shall be paid within fifteen days from the date of sale;

Provided that the time for the payment of cost of the stamp may, for good and sufficient reasons, be extended at the discretion of the Recovery Officer upto thirty days from the date of sale.

Provided further that in calculating the amounts to be paid under this clause, the purchaser shall have the advantage of any set off to which he may be entitled under clause (k).

i) In default of payment within the period mentioned in the last preceding clause, the deposit, may, if the Recovery Officer thinks fit, after defraying the expenses of the sale, be forfeited to the Government and defaulting purchaser shall forfeit all claims to the property or to any part of the sum for which it may subsequently be sold.

j) Every resale of immovable property in default of payment of the amounts mentioned in the clause (h) within the period allowed for such payments shall be made, after the issue of the first proclamation in the manner and for the period hereinbefore prescribed for the sale.

k) Where a decree holder purchase the property, the purchase money and the amount due on the decree shall be set off against one and other and the Sale Officer shall enter up satisfaction of the decree in whole or in part accordingly.

(12) Where prior to date fixed for a sale, a defaulter or any person acting on his behalf or any person claiming any interest in the property sought to be sold, tenders payment of the full amount due together with interest, travelling and other expenses incurred in bringing the property to the sale including the expenses of attachment, if any, the Sale Officer shall forthwith release the property, after cancelling, where the property has been attached, the order of attachment.

(13) (i) where immovable property has been sold by the Sale Officer, any person either owing such property or holding an interest therein by virtue of a title acquired before such sale may, apply to have the sale set aside on his depositing with the Recovery Officer:-

a) for payment to the purchaser a sum equal to five percent of the purchase money; and

b) for payment to the decree holder, the amount of arrears specified in the proclamation of sale as that for the recovery of which the sale was ordered together with interest thereon and the expenses of attachment, if any, and sale and other costs due in respect of such amount less amount which may since the date of such proclamation have been received by the decree holder.

(ii) if such deposit and application are made within thirty days from the date of sale, the Recovery Officer shall pass an order setting aside the sale and shall repay to the purchaser, the purchase money so far as it has been deposited together with the five percent deposited by the applicant.

Provided that if more persons than one have made deposit and application under this sub-rule, the application of the first depositor to the officer authorized to set aside the sale, shall be accepted.

(iii) If a person applied under sub-rule (14) to set aside the sale of immovable property, he shall not be entitled to make an application under this sub-rule.

14 (i) At any time within thirty days from the date of the sale of immovable property, the decree holder or any person entitled to share in a rateable distribution of assets or whose interest are affected by the sale may apply to the Recovery Officer to set aside the sale on the ground of a material irregularity or mistake or fraud in publishing or conducting it;

Provided that no sale shall be set aside on the ground of irregularity or fraud, unless the Recovery Officer is satisfied that the applicant has sustained substantial injury by reason of such irregularity, mistake or fraud.

(ii) If the application be allowed, the Recovery Officer shall set aside the sale and may direct a fresh sale.

(iii) On the expiration of thirty day from the date of sale if no application to have the sale set aside is made or if such application has been made and rejected, the Recovery Officer shall make order confirming the sale;

Provided that if he shall have reason to think that the sale ought to be set aside notwithstanding that no such application has been made or on ground other than those alleged in any application which has been made and rejected may, after recording his reasons in writing set aside the sale.

(iv) After the confirmation of any such sale, the Recovery Officer shall grant a certificate of sale bearing his seal and signature to the purchaser and such certificate shall state the property sold and name of the purchaser and it shall be conclusive evidence of the fact of the purchase in all court and tribunals where it may be necessary to prove it and no proof of the sale or signature of the Recovery Officer shall be necessary unless the authority before whom it is produced shall have reason to doubt its genuineness.

(15) Where any lawful purchase of immovable property is resisted or prevented by any person other than any person (not being the defaulter) claiming in good faith to be in possession of the property on his own account from obtaining possession of the immovable property purchase, any court of competent jurisdiction, on an application and production of the certificate of sale provided for sub-rule (14), shall cause the proper process to be issued for the purpose of putting such purchase in possession in the same manner as if the immovable property purchased had been decreed to the purchaser by a decision of the court.

(16) It shall be lawful for the Sale Officer to sell the whole or any portion of immovable property of a defaulter in discharge of money due;

Provided always that, so far as may be practicable, no larger section or portion of immovable property shall be sold than may be sufficient to discharge the amount due with interest and expenses, if any, of attachment and sale.

(17) Where an attachment has been made under these rules, any private transfer or delivery of property attached or of any interest therein and any payment to the defaulter of any debt, dividend or any other money contrary to such attachment shall be void as against all claims enforceable under the attachment.

Explanation: - For the purpose of this sub-rule claims enforceable under an attachment include claims for the rateable distribution of assets under sub-rule (24).

(18) Persons employed in serving notice or other process under these rules shall be entitled to travelling allowance as admissible under the rules in force if he is a Government Servant and to others, at the rates, approved and fixed by the Registrar in consultation with the Recovery Officer from time to time.

(19) Where the cost and charges incurred in connection with the attachment and sale of movable property or the attachment and sale or sale without attachment of immovable property under this rule, exceeds the amount of the cost deposited by the decree holder, such excess shall be deducted from the sale proceeds of the property sold or the money paid by the defaulter as the case may be and the balance shall be made available to the decree holder.

(20) Every person making a payment towards any money due for the recovery of which application has been made under the rule shall be entitled to a receipt for the amount duly signed by the Sale Officer or any other officer empowered by the Recovery Officer in that behalf. Such receipt shall state the name of the person making the payment and the subject matter in respect of which the payment is made.

(21)(a) Where any claim is preferred or objection made to the attachment of any property attached under this rule on the ground that such property is not liable to such attachment; the Sale Officer shall investigate the claim or objection and dispose it off on merit.

Provided that no such investigation be made when the Sale Officer consider the claim or objection to be frivolous.

(b) Where the property to which the claim or objection relates has been advertised for sale, the Sale Officer may postpone the sale pending the investigation of the claim or the objection.

(c) Where a claim or an objection is preferred, the party against whom an order is made may institute a suit within six months from the date of the order to establish the right which he claims to the property in dispute, but, subject to the result of such suits, if any, the order shall be conclusive.

(22) (i) Any deficiency of price which may happen on a resale held under clause (j) of sub-rule(11) by reasons of the purchaser's default and all expenses arising out of such resale be certified by the Sale Officer to the Recovery Officer and shall at the instance of either the decree holder or the defaulter, be recoverable from the defaulting purchaser under the provisions of this rule. The costs, if any, incidental to such recovery shall also be borne by the defaulting purchaser.

(ii) Where the property may, on the second sale, self for a higher price than at the first sale, the defaulting purchaser at the first sale shall have no claim to the difference or increase.

(23) Where any property has been attached in execution of a decree, but by reason of decree holder's default the Recovery Officer is unable to proceed further with application for execution, he shall either dismiss the application or for any sufficient reason adjourn the proceedings to a future date. Upon the dismissal of such application the attachment shall cease.

(24) (a) Where the Sale Officer attaches or has attached under these rules, any proper in the custody of any court, which is already under attachment made in execution of a decree of any court, such court shall receive and realise such property and shall determine claims thereto and any objection to the attachment thereof;

Provided that where the property is under attachment in execution of decree of more courts than one, the court which shall receive or realise such property shall determine any claim thereto and any objection to the attachment thereof, shall be to the court of the highest grade, or where there is no difference in grade between such courts, the courts under whose decree the property was first attached.

(b) Where assets are held by the Sale Officer and before receipt such assets, demand notice in pursuance of applications of execution of decree against the same defaulter have been received from more than one decree holder and decree holders have not obtain satisfaction, the assets after deducting the cost of realisation, shall be rateably distributed by the Sale Office among-all such decree holders in the manner provided for in section 73 of the Code of Civil Procedure of 1908 (5 of 1908).

(25) Where a defaulter dies before the decree has been fully satisfied, an application under sub-rule (1) may be made against the legal representative of the deceased and thereupon, all the provisions of this rule shall, save as otherwise provided in this sub-rule, apply as if such legal representatives were defaulters. Where decree is executed against such legal representative, he shall liable only to the extent of the property of the deceased which has come to his hands and has not been duly disposed of and for this purpose, such legal representative shall produce such accounts in respect of such property to the satisfaction of the Recovery Officer as he thinks fit.

(26) Where is connection with proceedings on an application under section 63 of the Regulation, any person requires the issue of any process or objects to any process issued or objects to any orders passed, he shall pay such fee as may be specified by the Registrar in this behalf.

77. Delegation of power under section 65 :- The powers of the Registrar under section 65 shall not be exercised by an officer below the rank of Assistant Registrar.

78. Mode of service of Summons:- (1) Every summon issued under Regulation shall be in writing, shall be authenticated by sale, if any, of the officer by whom it is issued and shall be signed by such officer or by any person authorised by him in writing in that behalf. IT shall require the person summoned to appear before the said officer at a specified time and place and to give evidence or produce documents or for both purposes, and any particular document, the production of which is required, shall be described in the summons with reasonable accuracy.

(2) Any person may be summoned to produce a document, without being summoned to give evidence, and any person summoned merely to produce documents shall be deemed to have complied with the summons if he causes such document to be produced, instead of attending personally to produce the same.

(3) The service of summons under the Regulation on any person may be effected in any of the following ways:-

(a) By giving of tendering it to such person; or

(b) If such person is not found, by leaving it at his last known place of abode or business or by giving or tendering it to some adult member of his family; or

(c) If the address of such person is known to the Registrar or other authorised person, by seeding it to his by registered post; or

(d) If none of the means aforesaid is available, by affixing it to some conspicuous part of his last known place of abode or business.

(4) Where the serving officer delivers or tenders copies of the summons to the dependent personally or to an agent or other person on his behalf, he shall require the signature of the person to whom the copy is so delivered or tendered to give an acknowledgement of service duly endorsed on the original summons.

(5) The serving officer shall in all cases in which the summon has been served under sub-rule (4) endorse or annex, or cause to be endorsed or annexed, on or to the original summon a return stating the time and the manner in which the summon was served and the name and the address of the person, if any, identifying the person served and witnessing the delivery or tender of the summon.

(6) Where the party to be summoned is a public officer or is the servant of a company or local authority of any institution, the officer issuing the summons may, if it appears that the summons may be conveniently so served, send it by registered post pre-paid for acknowledgment for service on the party to be summoned to the head of the office in which he is employed, together with the copy to be served endorsed on the original summon.

India Code

CHAPTER X
MISCELLANEOUS

79. Procedure regarding appeals:- (1) An appeal under the Regulation shall be presented by the appellant or by his duty appointed agent.

(2) When such an appeal is presented by an agent, it shall be accompanied by a letter of authority of appellant appointing him as such.

(3) Every appeal shall be accompanied by a certified copy of the order against which the appeal is preferred.

(4) Every appeal shall;

(i) be either type written or hand written in ink legibly;

(ii) specify the name and the address of the appellant and also the name and address of the opposite party, as the case may be.

(iii) State by whom the order against which the appeal is preferred was made;

(iv) Clearly state the grounds on which the appeal is made;

(v) State precisely the relief which the appellant claims; and

(vi) Give the date of the order appealed against.

(5) On receipt of the appeal, the appellate authority shall endorse on it the date of its receipt by it. The appellate authority shall as soon as possible, examine the appeal and satisfy itself that:-

(i) the person presenting it has the authority to do so;

(ii) that it is made within the prescribed time limit; and

(iii) that it conforms to all the provisions of the Regulation and these rules.

(6) If the appellant authority finds that the appeal presented does not conform to any of the said provisions, it shall make a note on the appeal in that effect and may call upon the appellant or his agent to remedy the defects within a period of 7 days of the receipt of the notice to do so or in case, the appeal has not been presented within the prescribed time limit, to show cause within the said period of 7 days why it should not be dismissed for being time barred.

(7) If the defect is remedied on the cause shown by the appellant or his agent satisfies the appellant authority, the appellate authority may proceed to consider the appeal.

(8) If the appellant or his agent fails to remedy the defects or to show cause to the satisfaction of the appellant authority within the said period, the Appellate authority may dismiss the appeal.

(9) In case, where it is considered expedient to give a hearing, the appellate authority may fix a date for hearing of which due notice shall be given to the appellate or his agent and the opposite party.

(10) On the date so fixed, the appellate authority shall go through the relevant papers, hear the parties present, and pass suitable order on the appeal.

(11) The appellate authority may, at its discretion adjourn to any other day, the hearing of any appeal at any stage.

(12) Where the hearing of the appeal is completed, the Appellate authority shall announce its judgement forthwith or may fix a date for the same after due notice to the Appellant or the other parties to the appeal.

(13) Every decision or order of the Appellate authority shall be in writing and a copy of the same shall be supplied to the Appellant and such other parties as in the opinion of the Appellate authority likely to be affected by the decision or the order.

80. Returns to be submitted by co-operative societies :- The Registrar may lay down the returns to be submitted by a co-operative society and provide for the persons by whom and the form is which such returns shall be submitted. If a society fails to comply with the directive within a reasonable time, the Registrar may have the returns completed at the expenses of the society.

81. Inspection of Documents:- Any member of the public shall be permitted on payment of fee of one rupee for each occasion to inspect, for any lawful purpose, any public document exclusive of public document privileged under section 123, 124, 128 or 131 of the Indian Evidence Act, 1872 (1 of 1872), filed in the office of the Registrar of Co-operative Societies and in particular the following documents, namely;

(1) The Registration Register.

(2) The Registration certificate of the society,

(3) The Registered bye-laws of a society and amendment affected to such bye-laws.

(4) An order cancelling the registration of a society.

(5) An order directing the liquidation of a registered society.

(6) The annual accounts of a society.

(7) Any decision of the Registrar or award of arbitrator.

IndiaCode

82. Fees for copies of public documents :- Notwithstanding anything contained in the Court Fees Act 1870 (7 to 1870), as amended in its application to the Union Territory of the Andaman and Nicobar Islands, the fees prescribed for certified copies of any public document which any person has under the proceeding rule a right for inspection shall be as follows:-

(1)	For Registration Certificate	-	Rs. 5/-
(2)	In the case of other documents, a sum calculated at the following rates:-		
	(i) For first two hundred words or under	-	Rs.1/-
	(ii) Every additional hundred words or fraction thereof	-	Paise 50

83. Forms of order and award:- The award of an arbitrator shall be in the form given in appendix "I" and the order of a liquidator under clause (b) or (e) of sub-section (2) of section 59 in the form is the appendix "J".

84. Special Rule:- (1) Notwithstanding anything contained in these rules, the procedure in this rule shall apply to co-operative society whose working capital exceeds rupees 50,000/-

(i) At least 15 days clear notice, specifying the date, place, time and agenda for a meeting of a general body or committee and at least seven days clear notice for a meeting of any smaller body set-up by either of them, whether convened by the Registrar or the President or otherwise of such co-operative society, shall be given to all the members of the general body committee or smaller body, as the case may be;

Provided that a shorter notice may be, given to all the members of the general body or committee or smaller body, as the case may be with the permission of the Registrar or under his direction.

(ii)(a) The Registrar may on his own motion or on a reference made to him, declare the proceedings of a meeting referred to in clause (i) as invalid, if he is satisfied that the meeting was held without a proper notice or without all the members having received the notice for the meeting or if the meeting was not conducted at appropriate place and time; and

(iii) No matter shall, except with the permission or direction of the Registrar, be considered in a meeting of a general body/committee or in a meeting of a smaller body set-up by either of them, unless that matter is specifically included in the agenda which is circulated to all members at least fifteen clear days or seven days in advance, respectively.

(iv) Should a difference of opinion in respect of any matter arise between nominated member of the committee and other members thereof the opinion of the nominated member shall be recorded in the minutes of the proceeding of the meeting in the words of the nominated member and the proceeding shall also be got signed by nominated member.

The Chairman shall, as soon as possible, make a reference to the Chief Commissioner and if no reference is made within seven days of the date of the meeting, the Registrar may on the receipt from a nominated member make a reference to the Chief Commissioner for getting his decision.

(2) In a co-operative society in which shares has been subscribed by the Government and of which another co-operative society is a member, the Registrar may after such inquiry as he may deem fit and after giving the person concerned a reasonable opportunity of showing cause, remove any member of committee who has been guilty of any act of omission or commission resulting in financial loss of the co-operative society.

85. Bar on voting by members nominated by the Chief commissioner on pertain matters:- The members nominated by the Chief Commissioner to a committee of a co-operative society under clause (a) of sub-section (2) of section 26 shall not vote in the election of the office bearers of the co-operative society.

86. Repeal :- As from the commencement of this Rule the Andaman and Nicobar Co-operative Societies Rules, 1926 shall stand repealed;

Provided that such repeal shall not;

(i) Affect the previous operation of the rules so repealed or anything duly done or suffered thereunder;

(ii) Affect any right, privilege, obligation or any liability acquired, accrued or incurred under the rules so repealed;

(iii) Affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation or liability;

Provided further that subject to the proceeding provision anything done or any action taken under the rules so repealed, shall in so far as it is not inconsistent with the provisions of these rules be deemed to have been done or taken under the corresponding provisions of these rules and shall continue in force accordingly, until it is superseded by anything done or any action taken under these rules.

APPENDIX "A"

(See Rule 37)

APPLICATION FOR REGISTRATION OF A CO-OPERATIVE SOCIETY

We, the undersigned, hereby apply for the registration of a co-operative society; as proposed hereunder, under section 8(1) of the Andaman and Nicobar Islands Co-operative Societies Regulation 1973 and enclose herewith three copies of the bye-laws as required by rule 4 of the Rules made thereunder.

1. Name of the proposed co-operative society:
2. Class of co-operative society and liability:
3. Address to be Registered:
4. Area of operation:
5. Main Objects:
6. Number of members joining at present:

7. Area mortgaged by members joining (in case of service societies)
8. Capital with details of shares, deposits, fees etc.,:
9. Value of shares and mode of payment:
10. Names of members of Ad-hoc Committee, if any:
11. Name of applicant for purpose of correspondence by the Registrar (see rule 3)

Name and Father's name	Age	Occupation	Place of residence (Village & P.O)	Number of shares (Subscribed)	Signature
1	2	3	4	5	6

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APPENDIX "B"
(See Rule 8)
PART – 'A'

1. Special general meeting of a co-operative society may be called from time to time by the committee or by an officer of a co-operative society under the direction of the committee.

2. Special general meeting of a co-operative society shall be called by the committee on the receipt of a requisition for such a meeting from one fifth of the total number of members.

3. If, on the receipt of the requisition referred to in the preceding rule, the committee fails, within a reasonable time to call special general meeting, the signatories of the requisition may refer the matter to the Registrar, who may, if he think fit, summon the general meeting.

4. A special general meeting called by the Registrar or any person authorised by him in writing shall be held in such manner and at such time and place as may be directed by him.

5. When the Registrar or any person authorised by him calls a special general meeting of the co-operative society, the mater for the consideration for such a meeting may also be laid down by him and such matter shall be considered at the meeting so called.

6. If at a general meeting or special general meeting, there is no quorum within one hour of the time fixed for the meeting, it shall be adjourned and fresh general meeting or special general meeting, as the case may be, shall be re-convened, after giving due notice. If at the re-convened meeting also, there is no quorum within one hour of time appointed for the meeting, then at the end of one hour members present shall constitute quorum.

7. Every resolution at general meeting or special general meeting shall be passed by the majority of votes of the members present.

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PART – 'B'

1. A meeting of the committee shall be called by the President or Chairman or the Secretary as the case may be, or such officer of the Co-operative Society as may be specified in the bye-laws.

2. Any three or one third of the total members of the committee whichever is less, may, in writing, request the president or the chairman as the case may be, of the co-operative society to summon a special meeting of the committee and may propose items which shall be considered in such meeting. On receipt of such a requisition, the president or chairman shall convene a meeting of the committee. If within seven days of the receipt of the requisition, the president or chairman fails to summon the meeting, the Registrar, on the application of the signatories of the requisition, may summon a meeting of the committee after giving due notice to all the members as may be required under the rules or bye-laws.

PART – 'C'

The quorum at a general or a special general meeting shall be one-forth of the total number of members or fifty whichever is less. The quorum at a committee meeting shall be one-third of the total number of the committee members.

PART – 'D'

The Registrar or his representative may attend any meeting of the committee of the co-operative society at any time but shall not have the right to vote, unless permitted under the bye-laws.

APPENDIX "C"

(See Rule 13 (1))

Notice under Rule 13(1)

By Registered Post A/D
To

The Chairman/Secretary

.....Co-operative Society,

.....

Sir,

It appears to me that an amendment/amendments of the bye-laws of your society as indicated in the attached statement is /are necessary and that it/those is/are desirable in the interest of your society.

I am so request your to consider this/these amendment/amendments in the interest of your society and to call upon by this notice under rule 13(1) of the Andaman and Nicobar Co-operative Societies Rules, 1974 ..... to take necessary steps to make a amendment to the bye-laws of your society within ..... days from the date of receipt of this notice, failing which action will be taken as provided under section 10(6) of the Andaman and Nicobar Co-operative Societies Regulation, 1973.

Yours faithfully,

Registrar of Co-operative Societies

No.....
Date .....
(Seal of the Officer)

Statement accompanying notice under Rule 13(1)

Sl. No.	The exact wording of existing bye-laws	Bye-laws, as it would read after amendment	Exact wording of bye-law, if it is a new one	Reasons why amendment is considered necessary

Registrar of Co-operative Societies

APPENDIX "D"
(See Rule 14 (4)

Notice under Rule 13 (3)

To

The Chairman,

.....Co-operative Society,

.....

Sir,

Whereas you were called upon to make amendment to the bye-laws of your society as per this office notice No..... dated .....

And whereas you have failed to make the amendment within the time specified therein;

Now, therefore, you are hereby called upon to show cause in writing within ..... days from the date of receipt of this notice as to why proposed amendment of your bye-laws as indicated in this office notice referred to above should not be registered. If you desire to be heard in person, you may attend or send your representative duly authorised on ..... at .....am/pm in my office and put your defence if any, before me.

If you fail to send your written statement or your representative on the date specified above or if your statement is found to be unsatisfactory, necessary further action according to the provision of section 10(6) of the Andaman and Nicobar Co-operative Societies Regulation, 1973, will be taken.

Yours faithfully,

Registrar of Co-operative Societies,
.....

No.....

Date .....

Place .....

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APPENDIX "E"
(See Rule 16 (3)

Notice to members, creditors and other persons whose interests will be affected by the amalgamation/transfer of assets and liabilities/conversion /division of Co-operative Societies.

Notice is hereby given as required under sub-section(4) of section 13 of the Andaman and Nicobar Co-operative Societies Regulation,1973 by the ..... Society registered under No. ..... dated ..... and having its registered office at ..... to all members/creditors/persons interested that the society, after obtaining the approval of the Registrar and a preliminary resolution to that effect having been passed by a special general body meeting of the society held on ....., has decided to amalgamate itself with ..... society, convert itself into ..... society; divide itself into (i) ..... (ii) ..... societies, transfer its assets and liabilities to ..... society. The details regarding transfer of the liabilities of society to be amalgamated, transferred or divided are given in the schedule below:

SCHEDULE

I. Applicable to co-operative societies amalgamating/transferring assets and liabilities:-
   (1) Name of the Co-operative Society or Co-operative Societies;
   (2) Statement showing the assets and liabilities of the society (to be enclosed);
   (3) Names of the members and creditors

   NB:- Information should be given separately in respect of each co-operative society which is affected by the amalgamation, transfer of assets and liabilities.

II. Applicable to the co-operative societies to be divided:-
   (1) Name of the Co-operative Society;
   (2) Present area of operation;
   (3) Statement showing assets and liabilities (to be enclosed);
   (4) Name of members ;
   (5) Names of creditors.

III. Applicable to Co-operative Societies which will stand divided:-

Particulars of (1) .....Society.

(i) Assets and liabilities which will remain with the co-operative society after division (Statement to be enclosed).
(ii) Proposed area of operation.
(iii) Names of members who will remain with the co-operative society.
(iv) Names of creditors who will remain with the society.

Particulars of (2) .....Society.

(i) Assets and liabilities which will remain with the co-operative society after division (Statement to be enclosed).
(ii) Proposed area of operation.
(iii) Names of members who will remain with the society
(iv) Names of creditors who will remain with the Co-operative society.

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Any person whose interest is affected by the proposed amalgamation, transfer of assets and liabilities or division may send his objections, if any, and give intimation to his option to become a member of any of the new Co-operative Societies / continue his membership in amalgamated co-operative societies to demand payment of share or interest or dues, to the office of the co-operative society within one month from the date of this notice.

If no option is exercised and if no objection is received within one month, it will be assumed that the interested persons have assented to the decision.

Place..... Secretary,
Date ..... By order of the Board/Managing Committee

APPENDIX "F"

(See Rule 27)

PART – 'I'

General Rules for election of committee.

1. Definition:- In this appendix, unless the context otherwise requires:-

(a) **ELECTION** means election to the committee.

* **(b) RETURNING OFFICER** means any person appointed by the Registrar or appointed by an authorized officer by a special or general order;

EXPLANATION:- (i) For the purpose of this rules "a person appointed" means – a person serving in Co-operative Department of the Union Territory or serving Gazetted Officer of the A&N Administration or a retired Gazetted Officer or a retired Official of the Co-operative Department or any other retired Official/Officer of any department of the A&N Administration.

(ii) In case of the appointment of election officials other than officials of the Co-operative Department, the Registrar may prescribe the scale of honorarium to be paid to the election Officials engaged for conducting elections to the concerned co-operative society with prior approval of the Lt. Governor (Administrator), A&N Islands.

*** (In the principal rule, 1974, the existing provision against 1(b) of Part-I Appendix –F to the Rule 27 substituted vide Registrar of Co-operative Societies' Notification No.267/F.No.RCS/26-5/2009 dated 21.02.2011, A&N Islands Co-operative Societies (Amendment) Rules, 2010)**

(c) **PRESIDING OFFICER** means a person appointed by the Returning Officer to be in-charge of the polling station for the purpose of election;

(d) **MANAGER** means any person appointed as such by the Registrar for the purpose of the provisions contained in this appendix and if no such person is appointed, then the head of office of a co-operative society, by whatsoever name called, to whom the management of the co-operative society is entrusted;

(e) **VOTER** means any person entitled to vote under these rules;

(f) **REPRESENTATIVE** means an elector who is authorised to vote on behalf of a co-operative society; and

(g) **CANDIDATE** means a voter who files his nomination papers to seek election as a member of the committee of a co-operative society.

2. ***Qualification of candidate***:- No person shall be eligible for election as a member of the committee if he is subject to any disqualification mentioned in the Regulation and the Rules and bye-laws framed thereunder.

3. ***Voting***:- The election shall be held by secret ballot or by raising hand and a voter shall exercise his vote only in favour of one candidate for each of the posts in the committee.

4. ***Election Programme***:- (1) The manager shall draw a detailed programme of election and send the same to the Registrar for approval and for the appointment of Returning Officer for conducting the election.

(2) The zonal list of voters shall be prepared, if necessary, by the manager in accordance with the direction issued by the Registrar from time to time.

(3) The notice indicating the election programme together with the zones constituted if any, shall be exhibited by the manager at the registered office of the co-operative society and in common places in the area of operation of the co-operative society. This would be in addition to any other mode of notice which may be laid-down either in the bye-laws or in the revolution of the committee or as may be specified by the Registrar by general or special order.

5. ***Filling of nomination papers***:- The nomination papers, duly completed shall reach the Returning Officer by such date, time and place as may be specified in the election programme.

6. ***Scrutiny of nomination papers***:- (1) The Returning Officer shall scrutinise the nomination papers at the place, date and times specified in this behalf, hear objects, if any, presented by the objections in person to the eligibility of any candidate and dispose-off these objections after such inquiry as he may consider necessary. The decision of rejecting or accepting the nomination papers and brief statement of reasons thereof shall be endorsed on the nomination papers and signed by the Returning Officer may:-

(a) Permit any clerical error is the nomination papers, in regard to the names or numbers to be corrected to bring them in conformity with the corresponding entries in the list of voters.
(b) Where necessary, direct that any printing error in the said entries may be over-looked.

(2) The person objecting under sub-rule (i) must be a voter.

(3) The Returning Officer shall after scrutiny of nomination papers, prepare and announce a list of validity nominated candidates and the same shall be exhibited at the registered office of the society and at other common places in the area of operation of the co-operative society. The Returning Officer after preparing the list of validity nominated candidates shall declare such candidates as elected if there is no contest about his election and communicate the same to the Presiding Officer and the Manager of the society.

7. ***Withdrawal of nomination papers***:- Any candidate may withdraw his nomination by a notice in writing which shall be subscribed by him and deliver to the Returning Officer by the date as specified in the election programme.

8. ***Death of Candidate***:- If an intimation of death of a candidate is received by the Returning Officer, after the last date of the filing of the nomination papers and before the commencement of the poll, the Returning Officer shall cancel the poll in respect of that zone for which the deceased was a candidate and report the fact to the manager and all proceedings with reference to the election of that zone shall be commenced again on the basis of the list or voters already prepared.

9. ***Appointment of Presiding Officer and his duties***:- The Returning Office may appoint Presiding Officer for each polling station and also polling officers and polling assistants to assist the Presiding Officer to conduct the poll. The Presiding Officer shall perform such duties as may be prescribed by the Registrar from time to time.

10. **Procedure for casting of vote**:- (1) If the Registrar so requires, a voter shall be required to produce an admission card, at the time of casting his vote, to be issued by the co-operative society under postal certificate or any other means as may be decided upon. The representatives of Member Co-operative Societies, shall in addition, produce resolution of their respective co-operative societies authorising them to represent the co-operative society in the general meeting;

Provided that a copy of resolution, duly attested by a co-operative society authorising one of its members to represent it for election, shall reach the Manager of the Co-operative Society whose election is to be held, at-least four days before the date of polling. In case such a resolution is not received by the manager within the stipulated period, such representative of the co-operative society shall not be entitled to vote.

(2) If any difficulty arises in regard to the identification of individual members or representatives of member co-operative societies, the Returning Officer or the Presiding Officer, as the case may be, may call-upon one or more officials of the State Co-operative Department to assist him in establishing the identity of such members or representatives and his decision in this regard shall be final.

(3) The manager shall make such arrangements in regard to the admission and seating of members and others invited by the Co-operative Society as may be considered necessary by the Returning Officer,

11. ***Declaration of election results***:- (1) After the counting of the votes has been completed, the candidate who secures a majority of votes shall be declared elected by the Returning Officer or the Presiding Officer, as the case may be. If the number of votes in favour of two or more candidates are equal, the mater shall be decided by lots drawn by the Returning Officer or the Presiding Officer, as the case may be.

(2) When the result of the election has been declared, the Returning Officer or the Presiding Officer as the case may be, shall prepare a consolidated list of elected candidates, including those declared elected unopposed, and communicate the names of persons elected under his signature to the Assistant Registrar concerned and in the case of Central or Apex Co-operative Societies, such a list shall also be sent to the Registrar. The Returning Officer or the Presiding Officer, as the case may be shall also direct the Manager to exhibit the list of the names of the persons elected at some conspicuous place at the registered office of the society for a minimum period of seven days after declaration of result of the election.

12. ***General*** :- (1) The Registrar may issue such instructions as may be necessary for the purpose of drawing of election programme, filling of nomination papers, withdrawals of nomination papers, allotment of symbols, manner of voting, counting and other relevant matters to facilitate the holding of election in respect of a co-operative society or class of co-operative societies.

(2) If any dispute arises in connection with election of any officer of co-operative society, it shall be referred to within thirty days of the declaration of the result of such election to the Registrar in same manner as provided in rule 55 of the rules.

PART – II

RULES FOR ELECTION IN PRIMARY CO-OPERATIVE SOCIETIES IF HELD IN SPECIAL GENERAL MEETING

1. ***Calling of special general meeting***:- (1) The meeting of election shall be convened by the manager or the secretary as the case may be, under the direction of the committee in the manner prescribed in the bye-laws of the co-operative society and at-least fifteen days notice specifying the date, time and the place of the meeting shall be given to all members.

(2) *The notice of the meeting shall be given by affixing a copy of the notice at the co-operative society's office and by the circulation of the notice and getting the signatures of the members on it or by beat of drum in the area of operation of the co-operative society.*

2. ***Presiding over the meeting***:- The meeting shall be presided over by the Returning Officer.

3. ***Proposal of candidates for contesting election***:- (1) The names of the candidates shall be proposed and recorded by any of the members present in the meeting.

(2) The Returning Officer, shall ask for withdrawal, if any, of the names proposed immediately after such proposal has been made.

4. ***Voting***:- (1) If the number of the candidates left after the withdrawal is equal to or less than the number of persons to be elected, then all the persons shall be declared elected by the Returning Officer.

(2) If the number of candidates proposed is larger than the number of persons to be elected, then election shall take place by secret ballot or by raising hands as may be decided upon.

(3) Each member present shall be supplied with an improvised ballot paper or a piece of paper bearing the seal of the co-operative society when the election is held by ballot. The member shall be asked to mark "X" against the name of the candidate in whose favour he wants to cast his vote. Each member shall have same number of votes as shall be the number of candidate to be elected as per provision of the bye-laws of a society at the rate of one vote per candidate.

(4) The improvised ballot paper on which vote has been recorded will be cast in an improvised closed box.

5. ***Counting of votes***:- (1) The ballot box will be opened in the presence of all the members present in the meeting and vote secured by each candidate shall be counted separately. The Candidates found to have obtained largest number of votes in order of merit shall be declared elected by the Returning Officer. In the event of candidates securing equal number of votes, the matter shall be decided by lot.

(2) Where election is held by raising hands, the Returning Officer shall count with the help of officers authorised by him, the number of hands raised in favour of a candidate. No voter shall be permitted to raise both the hands. If a voter raises his favour of the contesting candidates exceeding the number of candidates to be elected as per provision of the bye-laws of the society, all his votes shall be treated as cancelled in favour of all the contesting candidates. The Returning Officer shall declare such candidates elected as have secured larger votes in order of merit. In the event of equality of votes by two are more contesting candidates, matter shall be decided by lot.

(3) The Returning Officer shall immediately alter declaration of results, communicate the same to the manager as the secretary of the co-operative society, as the case may be, and send a copy of the same to the Assistant Registrar concerned.

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APPENDIX "G"

(See Rule 46(1)

FORM OF DECLATION

I ..... (AGE .....), RESIDING AT ..... having been admitted to the membership of ..... society limited ..... and being desirous of borrowing loan from the society with unlimited liability ..... / having borrowed loan from the society before the date of coming into force of the Andaman and Nicobar Islands Co-operative Societies Regulation,1973, make this declaration as required by section 32 of the Andaman and Nicobar Co-operative Societies Regulation,1973. That I own land specified in the
Have interest as a tenant in
schedule, and I hereby create a charge on the said land in favour of the
interest

co-operative society for the payment of the amount of loan which the society

may make and for all future advances, if any which the society may make to has made

me, subject to the maximum amount of Rs. ..... together with interest or such amount of the loan and advances.

SCHEDULE

Description of land							
Name of the Village	Name of the Tehsil	Name of District	Khasra No.	Kind of land	Share in land	Extent	Remarks if any
1	2	3	4(i)	4(ii)	4(iii)	4(iv)	4(v)

In witness whereof I, Shri ..... set my hand this ..... day of ..... in the year one thousand nine hundred and ..... signed and delivered by the above named Shri ..... in the presence of :

Witness:

1. .....
2. .....

Applicant's
---------- Signature
Borrower's

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APPENDIX "H"

(See Rule 46(2)

REGISTER OF DECLATION MADE UNDER SECTION 32

Serial NO.	Date of entry in the Register	Name of the Member	Date of declaration	Name of Village within which land is situated
1	2	3	4	5

Description of land						
Khasra No.	Area	Kind of land	Share in land	Extent	Remarks if any	Account of loan applied for / borrowed
6(i)	6(ii)	6(iii)	6(iv)	6(v)	6(vi)	7

Remarks if any	Signature of Chairman/ President
8	9

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APPENDIX "I"

(See Rule 82)

FORM OF AWARD

Whereas the dispute between the ..... of the first part and Shri ..... S/o ..... and his sureties, namely (1) ..... S/o ..... and (2) ..... S/o ..... of ..... the second part, regarding ..... has been referred to me for determination by the Registrar's Order No. ..... Dated .....

NOW, THEREFORE, I, ...having duly considered the matter, hereby direct that ..... do pay to ..... interest at ..... percent to this date, and Rs. ..... costs, or Rs. ..... in all, together with interest at the rate of ..... percent per annum until the realisation of the principal amount viz. Rs. .....

The above amount shall be paid by ..... and if it is not so paid, the amount may be realised through a civil court either by sale of all property of debtor or his sureties which was specifically, mortgaged for the satisfaction of this debt and which is shown in detail in the schedule attached to his award or of any other property belonging to the debtor or his sureties or both or by the arrest of the debtor.

SCHEDULE

Here enter the details of the property

Dated .....

Signed .....

Registrar
Or
Arbitrator

Award given in presence of

..... and .....

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APPENDIX "J"

(See Rule 83)

FORM OF LIQUIDATION ORDER

I, ... Liquidator ..... society under liquidation Tehsil ..... Dist ..... authorised under section 59(2) (b) and (e) of the Andaman and Nicobar Co-operative Societies Regulation,1973 do hereby order / assess Shri ..... Son of ..... Caste ..... resident of ..... Tehsil ..... District ..... to pay Rs..... as debt/contribution/liquidation expenses as member/past member/other nominee, heir or legal representative of Shri ..... Son of ..... resident of ..... deceased member / past Office towards assets of the society.

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Liquidator .....

Dated. .....

HAR MANDER SINGH,

Chief Commissioner,

Andaman and Nicobar Islands,

By order and in the name of the Chief Commissioner

SAROOP LALL,

Assistant Secretary (Development)

ANDAMAN AND NICOBAR ADMINISTRATION

CHIEF COMMISSIONER'S SECRETARIAT

NOTIFICATION

Port Blair, the 20th May, 1977/Vaisakha 30, 1899.

No.103/77/F.No.1/1(135)/75-Dev.II (Vol.II):- In exercise of the powers conferred by sub-section (1) of section 86 of the Andaman and Nicobar Islands Co-operative Societies Regulation,1973 (No.3 of 1973), the Chief Commissioner, Andaman and Nicobar Islands, hereby makes the following amendments to the Andaman and Nicobar Islands Co-operative Societies Rules, 1974, the same having been previously published as required by section (1) of the said section, namely:

AMENDMENT

(1) In the said rules, after rule 44, the following shall be inserted namely: "44-(a) Form of agreement under sub-section (1) of Section 39 – An agreement under sub-section (1) of section 39 shall be executed in Form given in Appendix "K"

(2) After Appendix "J" to the Rules, the following Appendix "K" shall be added, namely:

APPENDIX "K"
[See Rule 44(a)]
FORM OF AGREEMENT

This agreement is made on the ..... by Shri ..... S/o Shri ..... resident of ..... (herein-after referred to as First Party) in favour of ....(herein-after referred to as Second Party).

Whereas Shri ..... (First Party) working as ..... in the establishment of ..... has borrowed a loan of Rs..... (Rupees .....)/made credit purchase from the ..... and whereas the said first party is required to enter into an agreement containing the terms and conditions on which the 2nd party i.e., the said Co-operative Institution has agreed to sanction loan/make credit.

Now, therefore, in consideration thereof it is agreed by the said first party as follows:

(i) That the first party shall repay the loan with interest accrued thereon from his salary/wages by monthly instalments, within the stipulated period.

(ii) That the said first party hereby authorise his employer ...../officer disbursing his salary/wages to deduct at the rate of Rs. ..... (Rupees ..... only) per month from his salary/wages payable to him every month and to remit the amount so deducted to the ..... on receipt of demand from the .....

(Signature)
Name and address

Witness
1.
2.

Accepted
Secretary
.....
.....

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(3) After appendix "K", the following appendix "L" shall be added namely:

APPENDIX "L"

REGISTER TO BE MAINTAINED BY EMPLOYER/
PAY DISBURSING OFFICER UNDER SECTION 39 (4)
OF THE ANDAMAN AND NICOBAR ISLANDS
CO-OPERATIVE SOCIETIES REGULATION, 1973 (No.3 of 1973)

Name of Co-operative Society	Date of Receipt of demand from the Society	Name of the Employee from whom dues have to be recovered
(1)	(2)	(3)

Receipt			Payment		
Demand	Date of recovery	Amount of Recovery	Date of remittance	Amount remitted	No. and date of official printed receipt of the Society
(4)	(5)	(6)	(7)	(8)	(9)

Remarks	
(here enter the reason for the difference if any between the amount in columns (4) and (6)	Initials of the officer disbursing the salary or wages
(10)	(11)

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A.P. GOPALAN,
Assistant Secretary (Dev.)

सत्यमेव जयते

ANDAMAN AND NICOBAR GAZETTE
EXTRAORDINARY
Published BY Authority

No. 126, Port Blair, Wednesday, June 02,2010

ANDAMAN AND NICOBAR ADMINISTRATION
SECRETARIAT

NOTIFICATION

Port Blair, the 2nd June, 2010

No. 115/2010/F.No.RCS/26-5/2008(PF)- In exercise of the powers conferred under Section 3(2) of the Andaman & Nicobar Islands Co-operative Societies Regulation, 1973, and in supersession of Notification No. F.No.30-51/99-Dev.I (Coop) dated 15.11.2001 & all previous Orders and Notifications in this behalf, the Lt. Governor, Andaman and Nicobar Islands (Administrator), hereby orders that the powers conferred on the Registrar of Co-operative Societies under the said Regulation, as specified in Column (1) of the table below shall be exercised by Deputy Registrar of Co-operative Societies, Assistant Registrar of Co-operative Societies and Inspector of Co-operative Societies of Co-operative Department of the A&N Administration to the extent as specified in the corresponding entries in Column (2), (3) & (4) of the said table within the areas of their respective jurisdiction, subject to the general superintendence, direction and control of the Registrar of Co-operative Societies.

Sections of the Regulation (RCS)	Extent of powers conferred on Deputy Registrar of Co-operative Societies (DRCS)	Extent of powers conferred on Assistant Registrar of Co-operative Societies (ARCS)	Extent of powers conferred on Inspection of Co-operative Societies (Inspector)
(1)	(2)	(3)	(4)
All powers as specified in A&N Islands Co-operative Societies Regulation, 1973 and to decide monetary disputes above Rupees 25.00 lakhs (Twenty five lakhs)	All powers in respect of Primary & Central Coop. Societies except sections 10(6), 13, 14, 27, 54, 55, 56, 57, 58, 61, 65, 68 & 74 of the Regulation and to decide non-monetary and monetary disputes transferred/referred under section 56 of the Regulation above Rupees 10.00 lakhs (Ten lakhs) and upto Rupees 25.00 lakhs (Twenty five lakhs)	All powers in respect of Primary Coop. Societies except sections 8, 9, 10, 11, 12, 13, 14, 27, 50, 54, 55, 56, 57, 58, 61, 65, 67, 68 & 74 of the Regulation and to decide non-monetary and monetary disputes transferred / referred under section 56 of the Regulation above Rupees 5.00 lakhs (Five lakhs) and upto Rupees 10.00 lakhs (Ten lakhs)	All powers in respect of Primary Coop. Societies except section 8, 9, 10, 11, 12, 13, 14, 26, 27, 50, 54, 55, 56, 57, 58, 61, 65, 67, 68 & 74 of the Regulation and to decide non-monetary & monetary disputes transferred / referred under section 56 of the Regulation upto Rupees 5.00 lakhs (Five lakhs)

Lieutenant General (Retd.) Bhopinder Singh
Lieutenant Governor
By order and in the name of the Lieutenant Governor
Sd/-
Commissioner-cum-Secretary (Coop)
Andaman & Nicobar Administration